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DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR APALACHEE HILLS

THIS INSTRUMENT ESTABLISHES A MANDATORY MEMBERSHIP HOMEOWNERS ASSOCIATION, BUT DOES NOT SUBMIT THE COMMUNITY TO THE PROVISIONS OF THE GEORGIA PROPERTY OWNERS' ASSOCIATION ACT, O.C.G.A. § 44-3-220, *ET SEQ.*

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EXHIBITS

- EXHIBIT "A"** - PROPERTY SUBJECT TO THE DECLARATION
- EXHIBIT "B"** - ADDITIONAL PROPERTY WHICH MAY BE UNILATERALLY SUBMITTED TO THE DECLARATION BY DECLARANT
- EXHIBIT "C"** - BYLAWS OF APALACHEE HILLS HOMEOWNERS ASSOCIATION, INC.

DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR APALACHEE HILLS

THIS DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR APALACHEE HILLS ("Declaration") is made by **LENNAR GEORGIA, LLC**, a Georgia limited liability company (hereinafter referred to as "Declarant" and "Lennar") and **KL LB BUY 2 LLC**, a Delaware limited liability company (hereinafter referred to as "KL LB Buy 2");

W I T N E S S E T H

WHEREAS, KL LB Buy 2 is the owner of the real property described in Exhibit "A" hereof; and

WHEREAS, Lennar intends to purchase the Lots in the Community from KL LB Buy 2 pursuant to the Option Agreement, as such term is defined herein; and

WHEREAS, Declarant and KL LB Buy 2 desire to subject the real property described in Exhibit "A" hereof to the provisions of this Declaration to create a residential community of single-family housing and to provide for a general plan for the subdivision, development and improvement of the Community in an orderly manner with appropriate landscaping, construction, development and maintenance controls to maintain the value, aesthetic appearance and architectural harmony of the Community during and after development and to provide for the subjecting of other real property to the provisions of this Declaration;

NOW, THEREFORE, Declarant and KL LB Buy 2 hereby declare that the real property described in Exhibit "A" attached hereto and by this reference incorporated herein is hereby subjected to the provisions of this Declaration and shall be held, sold, transferred, conveyed, used, occupied, mortgaged and otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments and liens, hereinafter set forth, which are for protecting the value and desirability of and which shall run with the title to the real property hereby and hereafter made subject hereto and shall be binding on all persons having any right, title or interest in all or any portion of the real property now and hereafter made subject hereto, their respective heirs, legal representatives, successors, successors-in-title and assigns and shall inure to the benefit of each owner of all or any portion thereof.

Article 1
Definitions

The following words, when used in this Declaration or in any Supplementary Declaration, shall have the following meanings:

1.1 "Articles of Incorporation" means the Articles of Incorporation of Apalachee Hills Homeowners Association, Inc., filed with the Georgia Secretary of State and incorporated herein by this reference, as may be amended from time to time.

1.2 "Association" means Apalachee Hills Homeowners Association, Inc., a Georgia nonprofit corporation, its successors and assigns.

1.3 "Board of Directors" or "Board" means the appointed or elected body of the Association, vested with the authority to operate, administer and manage the affairs of the Association under the Georgia Nonprofit Corporation Code, O.C.G.A. Section 14-3-101, *et seq.*

1.4 "Bylaws" means the Bylaws of Apalachee Hills Homeowners Association, Inc., attached to this Declaration as Exhibit "C" and incorporated herein by this reference, as may be amended from time to time.

1.5 "Common Property" means any and all real and personal property, including, without limitation, easements and other interests therein, and the facilities and improvements located thereon, now or hereafter owned by the Association for the common use and enjoyment of the Owners.

1.6 "Community" refers to that certain real property described in Exhibit "A", attached hereto, and such additions thereto as may be made by Supplementary Declaration as provided herein.

1.7 "Community-Wide Standard" means the standard of conduct, maintenance or other activity generally prevailing in the Community. Such standard may be more specifically determined by the Board of Directors of the Association and may be articulated in the Architectural Guidelines established pursuant to Article 6 hereof, but must be consistent with the Community-Wide Standard initially established by the Declarant.

1.8 "Declarant" means **LENNAR GEORGIA, LLC**, a Georgia limited liability company, and its successors, successors-in-title or assigns taking title to any portion of the property described in Exhibit "A" or Exhibit "B" hereof for the purpose of development and/or sale and designated as Declarant in a recorded instrument by the then holder of the rights of Declarant hereunder. Any or all of the rights of Declarant set forth in this Declaration, the Articles of Incorporation or the Bylaws may be transferred or assigned in whole or in part to other Persons; provided, however, no such transfer or assignment shall be effective unless it is in

a written instrument signed by Declarant and recorded in the Gwinnett County, Georgia land records.

Notwithstanding the foregoing, Lennar and KL LB Buy 2 have entered into that certain Option Agreement, having an effective date of May 14, 2024 (as may be amended, the "Option Agreement"). In the event Lennar is in default under the terms of the Option Agreement after any applicable notice and cure periods have run and the Option Agreement has been terminated, KL LB Buy 2 has the right, but shall not be obligated, to request in writing that Lennar duly and validly assign to KL LB Buy 2 all rights of Declarant arising under this Declaration in accordance with the terms and conditions set forth in the Option Agreement. Within ten (10) days of receiving such request, Lennar shall cause such assignment to be recorded in the Gwinnett County, Georgia land records; provided, however, if Lennar fails to timely record said assignment, KL LB Buy 2 shall have the right to promptly record said assignment on behalf of Lennar (the "Transfer Date"), then and thereafter, all rights of Lennar, as Declarant, arising under this Declaration shall automatically cease and such rights shall be vested with KL LB Buy 2. Notwithstanding anything to the contrary herein, from and after the Transfer Date, with respect to Lots acquired by Lennar under the Option Agreement, Lennar shall: (a) retain the right to exercise architectural control over exterior modifications and construction on any Lot on which construction has commenced as of the Transfer Date; (b) be entitled to exercise architectural control over exterior modifications and construction on any Lot on which construction has not commenced as of the Transfer Date if the plans and elevations for the homes on such Lot(s) is/are consistent with those of existing homes constructed by Lennar in the Community; (c) remain exempt from the payment of assessments under this Declaration for any Lot acquired under the Option Agreement; and (d) retain such easement rights as described in relevant provisions of this Declaration.

KL LB Buy 2's right to acquire Declarant rights hereunder shall automatically expire when Lennar has acquired all of the property described in the Option Agreement. Until such time as all of the property described in the Option Agreement has been purchased by Lennar pursuant to the Option Agreement, Lennar shall have no right to assign, pledge or encumber said Declarant rights to any Person other than to KL LB Buy 2 or a party designated by KL LB Buy 2, and any purported assignment, pledge or encumbrance of said Declarant rights without the written consent of KL LB Buy 2 shall be void. If KL LB Buy 2 is the holder of rights of Declarant under this Declaration, KL LB Buy 2 shall operate and manage the Association in a reasonable and prudent manner in accordance with this Declaration, including, without limitation, by adopting and distributing a budget therefor, levying and collecting assessments, managing and maintaining the Common Property, and otherwise enforcing the provisions of this Declaration and the Bylaws of the Association, as appropriate.

1.9 "Lot" means any plot of land within the Community, regardless of whether improvements are constructed thereon, which constitutes a single-family dwelling site as shown on the subdivision plat(s) for the Community recorded in the Gwinnett County, Georgia land records. The ownership of each Lot shall include, and there shall pass with the title to each Lot as an appurtenance thereto, regardless of whether it is separately described, all of the rights and

interests of an Owner in and to the Common Property, as herein provided, together with membership in the Association.

In the case of a portion of the Community intended and suitable for subdivision into single family lots, but as to which no subdivision plat has been recorded in the land records, such property shall be deemed to contain the total number of Lots shown on Declarant's concept plan or site plan until such time as a subdivision plat is recorded with respect to all or a portion of the property. Thereafter, the portion encompassed by such plat shall contain the number of Lots shown on the plat and any portion not platted shall continue to be treated as set forth in this paragraph.

1.10 "Mortgage" means any and all instruments used for the purpose of encumbering or conveying title to real property in the Community as security for the payment or satisfaction of an obligation, including, without limitation, any mortgage, deed to secure debt or deed of trust.

1.11 "Mortgagee" means the holder of a Mortgage.

1.12 "Occupant" means any Person occupying all or any portion of a Lot for any period of time, regardless of whether such Person is a tenant of the Owner of such property.

1.13 "Owner" means the record owner, whether one or more Persons, of the fee simple title to any Lot located within the Community, but excluding a Mortgagee.

1.14 "Person" includes any individual, individual acting in a fiduciary capacity, corporation, limited partnership, limited liability company, general partnership, joint stock company, joint venture, association, company or other organization, recognized as a separate legal entity under Georgia law.

1.15 "Supplementary Declaration" means a supplement to this Declaration which subjects additional property to the provisions of this Declaration and the jurisdiction of the Association and/or imposes additional covenants, conditions, restrictions or easements on the property described therein.

1.16 "Total Association Vote" means the votes attributable to the entire membership of the Association (including the votes of Declarant and KL LB Buy 2, as applicable) as of the record date for such action, but specifically excluding the votes of any Owners whose voting rights have been suspended as provided herein, regardless of whether such members are present or represented at the meeting, if any, where such votes are to be cast. If, for example, and without limitation, two-thirds (2/3) of the Total Association Vote is required to approve a matter, such matter must receive more than two-thirds (2/3) of the votes attributable to all existing members of the Association as of the record date for such action (and excluding the votes of any Owners whose voting rights have been suspended as provided herein), regardless of whether such members are present or represented at the meeting, if any, where such votes are to be cast.

Article 2
Property Subject To This Declaration

2.1 Property Hereby Subjected to This Declaration. The real property which is, by the recording of this Declaration, subject to the covenants, conditions, restrictions and easements hereinafter set forth and which, by virtue of the recording of this Declaration, shall be held, transferred, sold, conveyed, used, occupied and encumbered subject to this Declaration is the real property described in Exhibit "A" attached hereto and by this reference made a part hereof.

2.2 Unilateral Annexation by Declarant. As the owner thereof or, if not the owner, with the consent of the owner thereof, Declarant shall have the unilateral right, privilege, and option from time to time to subject all or any portion of the real property described in Exhibit "B" attached hereto and by this reference incorporated herein to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the Gwinnett County, Georgia land records a Supplementary Declaration describing the property being subjected. Any annexation shall be effective upon the filing for record of such Supplementary Declaration in the Gwinnett County, Georgia land records, unless a later effective date is provided therein. So long as KL LB Buy 2 owns any property subject to the Declaration, any Supplementary Declaration shall also be signed by KL LB Buy 2 in order to be effective.

Inclusion of property on Declarant's site plan or concept plan or property described in Exhibit "B" attached hereto shall not obligate Declarant to subject such property to the Declaration, nor shall exclusion of property from a site plan or concept plan bar Declarant from subjecting such property to the Declaration. As long as covenants applicable to the real property previously subjected to this Declaration are not changed and as long as the rights of existing Owners are not adversely affected, the Declarant may unilaterally amend this Declaration to reflect the different character of any annexed real property; provided, however, that so long as KL LB Buy 2 owns any property subject to the Declaration, such amendment shall also be signed by KL LB Buy 2 in order to be effective. If any land is not subjected to this Declaration, Declarant's reserved rights shall not impose any obligation on Declarant to impose any covenants and restrictions similar to those contained herein upon such additional land nor shall such rights in any manner limit or restrict the use to which such additional land may be put by Declarant or any subsequent owner thereof, regardless of whether such uses are consistent with the covenants and restrictions imposed herein.

2.3 Annexation by Association. Upon the written consent of: (a) the owner(s) thereof; (b) the Declarant; (c) the Owners of at least two-thirds (2/3) of the Lots; and (d) KL LB Buy 2, so long as it owns any property subject to the Declaration, the Association may annex real property to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the Gwinnett County, Georgia land records a Supplementary Declaration describing the property being annexed. Any such Supplementary Declaration shall be executed on behalf of the Association by the President of the Association whose signature shall be attested by the Secretary of the Association. The annexation shall be effective only upon the filing for record of such Supplementary Declaration in the Gwinnett County, Georgia land records, unless a later effective date is provided therein.

2.4 Withdrawal of Property. Declarant shall have the right to remove any portion of the Community from the coverage of this Declaration and the jurisdiction of the Association so long as such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Community. Any withdrawal shall be accomplished by recording an amendment to this Declaration in the Gwinnett County, Georgia land records which describes the property to be removed and is executed by the Declarant, KL LB Buy 2, so long as KL LB Buy 2 owns any property subject to the Declaration and the Owner(s) of the property being removed, if not Declarant or KL LB Buy 2. Any withdrawal shall be effective upon filing for record of such amendment in the Gwinnett County, Georgia land records, unless a later effective date is provided therein.

Article 3
Association Membership and Voting Rights

3.1 Membership. Every Person who is the record owner of a fee or undivided fee interest in any Lot that is subject to this Declaration shall have a membership in the Association. The foregoing is not intended to include a Mortgagee, and the giving of a security interest shall not terminate an Owner's membership. No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Lot. Membership shall be appurtenant to and may not be separated from ownership of a Lot. The rights and privileges of membership, including the right to hold office, may be exercised by a member or the designee of a member, but in no event shall more than one (1) Person representing a single membership hold office at the same time. This Section is not intended to prohibit the same individual from being both an officer and a director of the Association. Nothing in this Section shall restrict the number of votes cast or the number of officers and directors appointed by the Declarant.

3.2 Voting. Members shall be entitled to cast one (1) vote for each Lot owned. When more than one (1) Person holds an ownership interest in a Lot, the vote for such Lot shall be exercised as those Owners themselves determine and advise the Secretary prior to any meeting or referendum. The vote attributable to a Lot shall be suspended in the event more than one (1) Person seeks to exercise it. The Board of Directors may suspend the voting rights of an Owner for any period during which any past due assessment against any Lot of the Owner remains unpaid; and, for a reasonable period of time for an infraction of the Declaration, Bylaws, rules and regulations of the Association or Architectural Guidelines established pursuant to Section 6.3 hereof.

Article 4
Assessments

4.1 Purpose of Assessments. The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners of Lots, including, without limitation, the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.

4.2 Creation of the Lien and Personal Obligation for Assessments.

(a) General. Each Owner of a Lot, by acceptance of a deed therefor, regardless of whether it is expressed in such deed, covenants and agrees to pay to the Association: (i) general assessments; (ii) special assessments; and (iii) specific assessments. All assessments, together with late charges (in an amount equal to the greater of Ten and No/100 Dollars (\$10.00) or ten percent (10%) of the amount of the assessment or installment not paid when due), interest (at a rate of ten percent (10%) per annum on the principal amount due) and costs of collection, including, without limitation, reasonable attorneys' fees actually incurred, shall, from the time the sums become due and payable, be a charge on the land and a continuing lien in favor of the Association on the Lot against which each assessment is made. As provided in O.C.G.A. Section 44-5-60(e), the obligation for the payment of assessments and fees arising hereunder shall include costs of collection, including, without limitation, reasonable attorneys' fees actually incurred, and the award of attorneys' fees shall not be construed in accordance with the provisions of O.C.G.A. Section 13-1-11(a)(2).

(b) Creation of the Lien. The recording of this Declaration shall constitute record notice of the existence of the lien and no further recordation of any claim of lien shall be required. Each assessment, together with late charges, interest and costs of collection, including, without limitation, reasonable attorneys' fees actually incurred, shall also be the personal obligation of the Person who was the Owner of the Lot at the time the assessment fell due. Each Owner shall be personally liable for the portion of each assessment coming due while the Owner of a Lot, and each grantee of an Owner shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance; provided, however, the liability of a grantee for the unpaid assessments of the grantor shall not apply to any first Mortgagee taking title through foreclosure proceedings.

(c) No Exemption from Assessments. No Owner may waive or otherwise be exempt from liability for the assessments provided for herein for any reason, including, by way of illustration and not limitation, the following: (i) abandonment of the Lot; (ii) nonuse of the Common Property; (iii) the Association's failure to perform its obligations required under the Declaration; or (iv) inconvenience or discomfort arising out of the Association's performance of its duties. No diminution or abatement of any assessment shall be claimed or allowed by reason of any failure of the Association to take some action or perform some function required to be taken or performed by the Association, the obligation to pay assessments being a separate and independent covenant on the part of each Owner. All payments shall be applied first to costs, then to late charges, then to interest and then to delinquent assessments.

4.3 Budget. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year. The Board shall cause the budget and the general assessment to be levied against each Lot for the year to be delivered to each member at least thirty (30) days prior to the due date of such general assessment. The budget and the general assessment shall become effective unless disapproved at a meeting by a majority of the Total Association Vote and the Declarant. Notwithstanding the foregoing, in the event the

membership and Declarant disapprove the proposed budget or the Board fails for any reason to determine the budget for any period, then and until such time as a budget has been determined, as provided herein, the budget in effect shall continue.

4.4 General Assessments. General assessments shall be levied equally on all Lots and shall be paid in such manner and on such dates as may be fixed by the Board of Directors, which may include, without limitation, acceleration, upon ten (10) days' written notice for delinquents. Unless otherwise provided by the Board, the general assessment shall be paid in one annual installment. General assessments include any sums the Board determines necessary for the continued ownership, operation and maintenance of the Common Property, improvements to the Common Property, operating expenses of the Association, payment for any items of betterment and the establishment of reserve funds as the Board shall deem proper. General assessments may include, without limitation, the following: (a) sums for property taxes for the Common Property; (b) insurance premiums; (c) legal and accounting fees; (d) management fees; (e) charges for utilities and other services provided by the Association, including, without limitation, street lights, if any; (f) costs to maintain the Community entry features, including any landscaping and electricity and/or irrigation expenses associated therewith; (g) landscaping to the Common Property; (h) costs associated with the maintenance of the storm water detention/retention pond(s) and storm water drainage facilities serving the Community; and (i) expenses and liabilities incurred as provided herein, in the Articles of Incorporation and Bylaws for the indemnification of officers and directors and in connection with the enforcement of rights and duties of the Association against Owners and others.

4.5 Special Assessments. The Association, acting through the Board of Directors, may levy a special assessment against all Owners in the Community for any unbudgeted or unanticipated expenses or expenses in excess of those budgeted. So long as the total amount of special assessments levied against each Lot in a fiscal year does not exceed the amount of the general assessment applicable to such Lot in such fiscal year, the Board may impose the special assessment without a vote of the Owners. Except for special assessments levied pursuant to Section 9.3 hereof, any special assessment which would cause the total amount of special assessments levied against a Lot in a fiscal year to exceed the amount of the general assessment applicable to such Lot for such fiscal year must be approved by two-thirds (2/3) of the Total Association Vote and the Declarant in order to be effective. Special assessments shall be paid as determined by the Board. The Board may permit a special assessment to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

4.6 Specific Assessments. The Board shall have the power to levy specific assessments as, in its discretion, it shall deem appropriate. The failure of the Board to exercise its authority under this Section shall not be grounds for any action against the Association and shall not constitute a waiver of the Board's right to exercise its authority under this Section in the future with respect to any expenses, including an expense for which the Board has not previously exercised its authority under this Section. By way of explanation, and not limitation, the following shall constitute specific assessments: (a) fines levied pursuant to this Declaration; (b)

the working capital contribution as provided in Section 4.13 hereof; and (c) the cost of maintenance performed by the Association for which an Owner is responsible.

The Board of Directors may also specifically assess Owners for Association expenses as follows: (a) expenses of the Association which benefit less than all of the Lots may be specifically assessed equitably among all of the Lots which are benefited according to the benefit received; (b) expenses of the Association which benefit all Lots, but do not provide an equal benefit to all Lots, may be specifically assessed equitably among all Lots according to the benefit received; and (c) expenses of the Association which are attributable to or incurred by a particular Owner or the Occupants, guests, tenants, invitees or licensees of the Owner may be specifically assessed against the Lot of such Owner.

4.7 Subordination of Liens to Mortgages. Notwithstanding anything to the contrary in this Declaration or any other document related thereto or executed in connection therewith, the lien of all assessments authorized herein is hereby made subordinate to the lien of any first Mortgage placed on a Lot if, but only if, all assessments and charges with respect to such Lot authorized herein having a due date on or prior to the date of the Mortgage as filed of record have been paid. The lien hereby subordinated is only a lien as it relates to assessments and charges authorized hereunder having a due date subsequent to the date such Mortgage is filed of record and prior to the satisfaction, cancellation or foreclosure of such Mortgage. Such subordination is merely a subordination and: (a) shall not relieve the Owner of the Lot of the personal obligation to pay all assessments coming due during such period of ownership; (b) shall not relieve such Lot from the lien provided for herein (except to the extent a subordinated lien is extinguished as a result of such subordination as against a Mortgagee or such Mortgagee's transferee or assignee by foreclosure); and (c) no sale or transfer of such Lot to the Mortgagee or to any other Person pursuant to a foreclosure, or pursuant to any other proceeding in lieu of foreclosure, shall relieve any existing or previous Owner of such Lot of any personal obligation or relieve such Lot or any Owner of such Lot from liability for any assessment authorized hereunder that becomes due after such sale and transfer.

4.8 Remedies of the Association. Any assessments or installments thereof which are not paid when due shall be delinquent. In addition to the lien rights, the personal obligation of the then Owner to pay such assessments shall remain such Owner's personal obligation and shall also pass to such Owner's successors-in-title. Such Owner shall nevertheless remain as fully obligated as before to pay to the Association any and all amounts which such Owner was obligated to pay immediately preceding the transfer or conveyance; and such Owner and such successors-in-title shall be jointly and severally liable with respect thereto, notwithstanding any agreement between such Owner and such successors-in-title creating any indemnification of the Owner or any relationship of principal and surety as between themselves.

Any assessment or installment thereof delinquent for a period of more than ten (10) days shall incur a late charge (in an amount equal to the greater of Ten and No/100 Dollars (\$10.00) or ten percent (10%) of the amount of the assessment or installment not paid when due) and interest (at a rate of ten percent (10%) per annum on the principal amount due). As provided in O.C.G.A. Section 44-5-60(e), the obligation for the payment of assessments and fees arising

hereunder shall include costs of collection, including, without limitation, reasonable attorneys' fees actually incurred, and the award of attorneys' fees shall not be construed in accordance with the provisions of O.C.G.A. Section 13-1-11(a)(2).

The Association may cause a notice of delinquency to be given to any Owner who has not paid within ten (10) days following the due date. In the event that the assessment remains unpaid after sixty (60) days, the Association may institute suit to collect such amounts and/or to foreclose its lien. The Association may file a claim of lien with the Office of the Clerk of Superior Court of Gwinnett County, Georgia, but no such claim of lien shall be required to establish or perfect the lien for unpaid assessments.

Each Owner, by acceptance of a deed, vests in the Association the right and power to bring all actions against such Owner personally, for the collection of such charges as a debt or to foreclose the lien. The lien provided for in this Declaration shall be in favor of the Association and shall be for the benefit of all Owners. The Association shall have the power to bid on the Lot at any foreclosure sale and to acquire, hold, lease, mortgage and convey the same. The Association may also suspend: (a) the membership rights of the delinquent Owner, including the right to vote; (b) the right of the delinquent Owner to use and enjoy the Common Property; and (c) the right of the delinquent Owner to receive and enjoy such services and other benefits as may then be provided by the Association, if any. Any suspension shall not affect an Owner's obligation to pay assessments coming due during the period of such suspension and shall not affect the permanent lien on such Lot in favor of the Association.

4.9 Date of Commencement of Assessments.

(a) General. Assessments shall commence when the Board of Directors first determines a budget and levies assessments. The assessments provided for herein shall commence as to a Lot on the date that such Lot has been improved with a dwelling for which a certificate of occupancy has been issued and has been conveyed to an Owner who intends to occupy the dwelling, or, if the dwelling is occupied as a residence before such conveyance, the date of such occupancy.

(b) Model Homes. Any Lot which has been approved by Declarant for use as a model home for marketing and sales purposes shall not be deemed to be occupied for residential purposes and shall not be subject to assessments under this Declaration whether owned by Declarant or any other Person, so long as such Lot is approved for use as a model home and is not occupied for residential purposes.

4.10 Budget Deficits During Declarant Control. For so long as the Declarant has the authority to appoint and remove the directors and officers of the Association, Declarant may, but shall have no obligation to: (a) advance funds or contributions of services or materials or a combination of services and materials, rather than money (herein collectively called an "in kind contribution"), or a combination of these, to the Association sufficient to satisfy the deficit, if any, between the actual operating expenses of the Association (but specifically not including an allocation for capital reserves), and the sum of the general, special and specific assessments

collected by the Association in any fiscal year (such advances shall be evidenced by promissory notes from the Association in favor of the Declarant); or (b) cause the Association to borrow such amount from a commercial lending institution at the then prevailing rates for similar loans in the local area of the Community; provided, however, no Mortgage secured by the Common Property or any of the structures or improvements maintained by the Association shall be given in connection with such loan, unless the loan has been approved by Owners of at least two-thirds (2/3) of the Lots and the Declarant as provided in Section 10.2(a) hereof.

4.11 Failure to Assess. The omission or failure of the Board to fix the assessment amounts or rates or to deliver or mail to each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay assessments on the same basis as the last year for which an assessment was made, if any, until a new assessment is made, at which time any shortfalls in collections may be assessed retroactively by the Association.

4.12 Estoppel Letter. Any Owner, Mortgagee, or a Person having executed a contract for the purchase of a Lot, or a lender considering a loan to be secured by a Lot, shall be entitled, upon written request, to a statement from the Association or its managing agent setting forth the amount of assessments past due and unpaid, including any late charges, interest, fines, or other charges against that Lot. Such request shall be delivered to the registered office of the Association, and shall state an address to which the statement is to be directed. The Association shall, within five (5) business days after receiving a written request therefor, certify to the amount of any unpaid assessments constituting a lien on a specified Lot. The Association may charge a reasonable fee as may be permitted by law as a prerequisite to the issuance of such statement. A certification letter signed by an officer of the Association or the Association's managing agent, if any, as to the amount of assessments due with respect to a Lot shall be binding upon the Association. It is the intent of this provision to comply with O.C.G.A. Section 44-14-15(c), as amended.

4.13 Working Capital Contribution. Upon each and every transfer or conveyance of title to a Lot after it has been improved with a dwelling for which a certificate of occupancy has been issued, a working capital contribution in an amount determined by the Board from time to time shall be collected from the new Owner at the closing of such transaction and disbursed to the Association; or if not collected at closing, shall be paid immediately upon demand to the Association. The working capital contribution shall constitute a specific assessment against the Lot, shall be in addition to, not in lieu of, the general assessment and shall not be considered an advance payment of such assessment. The working capital contribution may be used by the Association for any purpose which provides a direct benefit to the Community, including, without limitation, for the payment of operating expenses of the Association and other expenses incurred by the Association pursuant to the provisions of this Declaration.

Notwithstanding the foregoing, the working capital contribution shall not apply to the holder of any first Mortgage on a Lot who becomes the Owner of a Lot through foreclosure or any other means pursuant to the satisfaction of the indebtedness secured by such Mortgage, but shall apply to the Owner acquiring title to the Lot from the foreclosing Mortgagee.

Article 5
Maintenance: Common Property

5.1 Association's Maintenance Responsibility.

(a) General. The Association shall maintain and keep in good repair the Common Property, which shall include, without limitation, the maintenance, repair and replacement of all landscaping, structures and improvements located thereon. The Association shall also maintain (whether or not constituting Common Property) the following: (i) all Community entry features and appurtenant landscaping, including, without limitation, monument signage, fencing and any irrigation system and/or lighting system which provides water and/or electricity to such entry features and landscaping, regardless of whether such entry features and related landscaping are located on a Lot, Common Property or public right-of-way; (ii) landscaping to Common Property; (iii) any storm water detention/retention pond and storm water drainage facilities serving the Community, and any wall, gate, fence or other enclosure surrounding said storm water detention/retention pond(s) in accordance with any indemnification and/or maintenance agreements as may be recorded in the Gwinnett County, Georgia land records, regardless of whether such storm water detention/retention ponds and storm water drainage facilities are located on a Lot, Common Property or public right-of-way; provided, however, the Association shall not be responsible for the maintenance, repair and replacement of any storm water drainage facilities which exclusively serve a Lot; (iv) all street medians, street islands and appurtenant landscaping and landscaping located within or along any public right-of-way located within the Community, if and to the extent the same are not maintained on an ongoing basis by a governmental entity or third party and the Board believes that such maintenance is in the best interest of the Community; (v) the centralized mailbox area and the mailboxes located thereon; (vi) exterior lighting in the Community, including, without limitation, street lights; provided, however, the Association shall have no obligation to maintain any exterior lighting which is attached to or exclusively serves a Lot; and (vii) all walking trails within the Community.

The Board of Directors may authorize the officers of the Association to enter into contracts with any Person or Persons to perform maintenance hereunder on behalf of the Association.

(b) Maintenance Standards. In the event that the Association determines that the need for maintenance, repair, or replacement, which is the responsibility of the Association hereunder, is caused through the willful or negligent act of an Owner, or the Occupants, family, guests, lessees or invitees of an Owner, then the Association may perform such maintenance, repair or replacement and all costs thereof, not paid for by insurance, shall be assessed against the Lot of such Owner as a specific assessment. All maintenance performed by the Association shall be consistent with the Community-Wide Standard.

(c) Assumption of Additional Maintenance. The Association shall have the right, but not the obligation, to maintain property it does not own, regardless of whether such property is

located within or outside of the Community, where the Board has determined that such action would benefit the Owners.

(d) Easement and Cost Sharing Agreements. The Board of Directors, without a vote of the members, but with the prior written consent of Declarant and KL LB Buy 2, shall have the right to enter into easement agreements and covenant to share cost agreements where the Board has determined that such action would benefit the Owners.

5.2 Owner's Maintenance Responsibility. Except for maintenance performed on or to a Lot by the Association pursuant to Section 5.1 hereof, if any, all maintenance of and repair and replacement to the Lot and all structures, landscaping, and other improvements located thereon shall be the sole responsibility of the Owner thereof, who shall maintain such Lot in a manner consistent with the Community-Wide Standard and this Declaration. Such maintenance obligation shall include, without limitation, the following: (a) prompt removal of all litter, trash, refuse, and waste; (b) keeping improvements and exterior lighting in good repair and working order; (c) keeping driveways and walkways in good repair; (d) complying with all governmental health and police requirements; (e) maintaining grading and storm water drainage as originally established on the Lot; (f) periodic maintenance and repair of exterior damage to improvements; (g) maintaining, repairing and replacing the residential dwelling located on the Lot, including, without limitation, periodic painting and pressure washing and roof repair and replacement as needed and all structural components of such residential dwelling; (h) maintaining, repairing and replacing all storm water drainage facilities which exclusively serve the Lot and all pipes, wires and conduits related thereto or used in connection therewith; (i) maintaining, repairing and replacing all pipes, wires and conduits, including, without limitation, sanitary sewer, electrical and plumbing systems, which exclusively serve the Lot; (j) all maintenance, repair and replacement to any patio, deck or porch appurtenant to the residential dwelling located on a Lot, including the painting and/or staining thereof and all structural components related thereto; and (k) all lawn and landscaping to the Lot, including lawn mowing on a regular basis, tree and shrub pruning, keeping garden areas alive, free of weeds and attractive and watering all landscaped areas.

5.3 Landscaping to Common Property. As provided in Section 5.1 above, the Association shall be responsible for all landscaping to the Common Property. The Board of Directors, in its sole discretion, may leave portions of the Common Property as undisturbed natural areas and may change the landscaping provided to the Common Property at any time and from time to time in its sole discretion. The Board of Directors may promulgate rules setting forth the extent of landscaping maintenance to be performed by the Association to the Common Property. Owners shall not add trees, shrubs, bushes, plants or other vegetation to the Common Property without the prior written consent of the Board of Directors; provided, however, the Board may adopt rules allowing Owners to add or modify landscaping improvements to the Common Property, including, for example, allowing season flowering plants in certain portions of the Common Property at the expense of such Owners. Any landscaping improvements installed by an Owner on Common Property which are not properly maintained, including, but not limited to, damaged, diseased or dead plants, shrubs and trees may, at the sole discretion of the Board of Directors, be

removed from the Community and all costs associated therewith may be assessed against the Owner and the Lot as a specific assessment.

5.4 Failure of Owner to Maintain. In the event that the Board of Directors determines that any Owner has failed or refused to discharge properly any of such Owner's obligations with regard to the maintenance, repair or replacement of items for which such Owner is responsible hereunder, the Association shall, except in an emergency situation, give the Owner written notice of the Association's intent to provide such maintenance, repair or replacement at the Owner's sole cost and expense. The notice shall set forth with reasonable particularity the maintenance, repair or replacement to be performed. The Owner shall have ten (10) days after receipt of such notice within which to complete such maintenance, repair or replacement, or, in the event that such maintenance, repair or replacement is not capable of completion within a ten (10) day period, to commence such work which shall be completed within a reasonable period of time. If an Owner does not comply with the provisions hereof, the Association may provide such maintenance, repair or replacement to the Lot and all costs associated therewith shall be assessed against the Lot of such Owner as a specific assessment. This provision shall not apply to any Lot(s) owned by the Declarant or a builder approved by Declarant and KL LB Buy 2, unless improved with a dwelling and occupied as a residence.

5.5 Conveyance of Common Property by Declarant or KL LB Buy 2 to Association; No Implied Rights. Declarant or KL LB Buy 2 may transfer or convey to the Association at any time and from time to time any personal property and any interest in improved or unimproved real property; provided, however, any conveyance by Declarant shall also require the written consent of KL LB Buy 2 so long as it owns any property subject to this Declaration. Such conveyances shall be deemed to be accepted by the Association upon delivery of any personal property or upon recordation of an instrument of conveyance of any interest in real property, and the property shall thereafter be Common Property to be used and, if and as provided in Section 5.1 hereof, maintained by the Association for the benefit of its members. So long as KL LB Buy 2 owns any property subject to this Declaration, or Declarant owns any property primarily for development and/or sale in the Community or owns any property which may be annexed to this Declaration as provided herein, Declarant or KL LB Buy 2 may, upon written notice to the Association, require the Association to reconvey to Declarant or KL LB Buy 2 all or any portion of the Common Property, improved or unimproved, at no charge to Declarant or KL LB Buy 2, without a vote of the members of the Association, if all or any portion of the Common Property is: (a) found by Declarant or KL LB Buy 2 to have been conveyed in error; (b) needed by Declarant or KL LB Buy 2 to make adjustments in property boundary lines; or (c) needed by Declarant or KL LB Buy 2 due to changes in the overall scheme of development for the Community.

The Association hereby constitutes and appoints the then holder of the rights of Declarant hereunder as its agent and attorney-in-fact to accept on behalf of the Association any conveyance to the Association, to reconvey such property on behalf of the Association and to execute on behalf of the Association any and all documents, including, without limitation, deeds, necessary or convenient to effectuate and document any conveyance to or reconveyance from the Association. The power and agency hereby granted are coupled with an interest and are

irrevocable by death or otherwise. Declarant and KL LB Buy 2 shall not be required to make any improvements whatsoever to property to be conveyed and accepted pursuant to this Section and shall have no duty or obligation to convey any property or property rights to the Association regardless of whether such property has been made available for the use of Owners. Declarant or KL LB Buy 2 may reserve, by lease, license, easement or otherwise, such rights of use and enjoyment in and to all or any portion of the property so conveyed as Declarant or KL LB Buy 2 may reasonably require so long as such reservation is not materially inconsistent with the overall scheme of development for the Community. Neither the recordation of any subdivision plat nor the use by the Owners or maintenance by the Association of any property shall create any rights, easements or licenses, in the Association or the Owners, express or implied, unless and until such property rights, easements or licenses are conveyed by the Declarant or KL LB Buy 2 to the Association or the Owners, as the case may be, by an instrument recorded in the Gwinnett County, Georgia land records.

5.6 Partition of Common Property. The Common Property shall remain undivided and no Owner shall bring any action for partition or division of the whole or any part thereof without the written consent of: (a) all Owners of all portions of the property located within the Community; and (b) all holders of all Mortgages encumbering any portion of the property, including, but not limited to, the Lots located within the Community.

5.7 Condemnation. In the event of a taking by eminent domain of all or any portion of the Common Property on which improvements have been constructed, the Association shall, if reasonably possible, restore or replace such improvements on the remaining Common Property, unless within sixty (60) days after such taking, an alternative plan is approved by at least seventy-five percent (75%) of the Total Association Vote, Declarant and KL LB Buy 2. The provisions of this Declaration applicable to the replacement or restoration of damaged improvements on the Common Property shall also apply to and govern the actions to be taken in the event that the improvements are not restored or replaced after a condemnation.

5.8 Limitation of Liability. Owners, Occupants and their guests shall use the common areas maintained by the Association and all other Common Property and all portions of the Community not contained within a Lot at their own risk and shall assume sole responsibility for their personal belongings used or stored thereon. All Owners and Occupants shall have an affirmative duty and responsibility to inspect the Common Property and all portions of the Community not contained within a Lot for any defects, perils or other unsafe conditions relating to the use and enjoyment thereof. The Association, KL LB Buy 2, Declarant and their respective officers, directors, employees, representatives and agents shall not be held liable for: (a) personal injury to any person occurring on the Common Property; (b) loss or damage to personal belongings used or stored on the Common Property or on any other portion of the Community; or (c) loss or damage, by theft or otherwise, of any other property of an Owner or Occupant.

In addition to the foregoing, the Association, KL LB Buy 2, Declarant and their respective officers, directors, employees, representatives and agents shall not be liable for injury or damage to any Person or property: (a) caused by the elements or by an Owner or any other

Person; (b) resulting from any rain or other surface water which may leak or flow from any street, pipe, plumbing, drain, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association or from any portion of the Common Property; or (c) caused by any street, pipe, plumbing, drain, pond, lake, dam, conduit, appliance, equipment, security system, or utility line or facility, the responsibility for the maintenance of which is that of the Association, becoming out of repair.

5.9 Trash Removal and Recycling.

(a) General. It is anticipated that Gwinnett County will provide trash and recycling services to the Community. However, to the extent trash removal and recycling is not provided by Gwinnett County, the Association shall have the right, but not the obligation, to designate and contract with a private trash removal company on behalf of all Owners and Occupants in the Community to pick up all usual and customary household trash and recycling on a regular basis. Notwithstanding the foregoing, prior to entering into a contract with a trash removal company, the Association shall provide each Owner with at least thirty (30) days written notice (or such longer period of time as may be reasonably necessary) of its intent to do so.

(b) Costs of Trash Removal. Upon the execution of a contract with a private trash removal company as provided above, all charges for usual and customary trash collection and recycling shall be assessed to each Lot equally as part of the general assessment in accordance with Section 4.4 hereof. While the removal of normal household trash and recycling will be covered by such contract, additional charges may be incurred for the removal of used appliances, other large items or any other extraordinary pick-up needs and such additional charges incurred by the Association may be specifically assessed against the applicable Lot pursuant to Section 4.6 hereof. If a Lot Owner, for any reason, refuses trash collection and/or recycling service provided by the Association, such Owner shall nevertheless still be obligated to pay the full amount of the general assessment.

(c) Rules and Regulations. Unless otherwise provided by the Board, trash and recycling receptacles shall be placed at the curb no earlier than 5:00 p.m. the day before pick-up and shall be removed within twenty-four (24) hours. When not in use, all trash and recycling receptacles shall be stored in the garage or otherwise screened to be concealed from the view of neighboring streets and property. All Community trash removal and recycling shall be subject to such further rules and regulations as the Board may adopt from time to time in its sole discretion.

Article 6 Architectural Standards

6.1 General. No exterior construction, alteration or addition of any improvements of any nature whatsoever (including, without limitation, staking, clearing, excavating, grading, filling, construction of impervious surfaces, building, exterior alteration of existing improvements, installing storm and screen doors and storm windows, fencing, changing the exterior color of any existing improvement and planting and removing landscaping materials), shall be commenced or placed upon any part of the Community unless: (a) installed by the Declarant or an affiliate of

the Declarant; (b) approved in accordance with this Article; (c) installed in accordance with applicable Architectural Guidelines; or (d) otherwise expressly permitted under this Declaration. Any Owner may remodel, paint or redecorate the interior of a structure located on a Lot without approval hereunder. However, additions and/or modifications to the interior of balconies, porches, patios, decks and similar portions of a structure which are visible from outside of a Lot shall be subject to approval. No approval shall be required to repaint the exterior of a structure located on a Lot in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specifications.

This Article shall not apply to the activities of KL LB Buy 2, Declarant, or its affiliates or to improvements to the Common Property made by or on behalf of the Association. This Article may not be amended without the written consent of the Declarant until the rights of Declarant terminate as provided in Section 11.5 hereof and the written consent of KL LB Buy 2, so long as it owns any property subject to this Declaration.

6.2 Guidelines and Procedures. Except as provided above or as specifically articulated in the Architectural Guidelines established pursuant to Section 6.3 hereof, no exterior construction, addition or alteration shall be made unless and until plans and specifications have been submitted in writing to and approved by the Declarant. Such plans and specifications shall be of sufficient detail to allow the Declarant to make its review and to the extent required by the Declarant shall show the nature, kind, shape, height, materials and location of the proposed structure or improvement. The Declarant shall be the sole arbiter of such plans and specifications and may withhold approval for any reason, including, without limitation, purely aesthetic considerations, and it shall be entitled to stop any construction in violation of such plans and specifications or any other provision of this Declaration or Architectural Guidelines. If the Declarant fails to approve or disapprove submitted plans and specifications within forty-five (45) days after receipt of such plans and specifications, such approval shall be deemed to have been given. If construction does not commence on a project for which plans have been approved within twelve (12) months of such approval, such approval shall be deemed withdrawn, and it shall be necessary for the Owner to resubmit the plans and specifications to the Declarant for reconsideration. As a condition of approval under this Article, each Owner, on behalf of such Owner and such Owner's successors-in-interest, shall assume all responsibilities for the maintenance, repair, replacement and insurance to and on any improvement, change, modification, addition or alteration. In the discretion of the Declarant, an Owner may be required to verify such condition of approval by a recordable written instrument acknowledged by such Owner on behalf of such Owner and such Owner's successors-in-interest. Declarant and its representatives and/or agents shall have the right, during reasonable hours and after reasonable notice, to enter upon any property in the Community to determine whether or not these restrictive covenants have been or are being complied with and such Persons shall not be deemed guilty of trespass by reason of such entry; provided, however, nothing herein shall be construed as permitting the Association to enter any residential dwelling located on a Lot without the consent of the Owner thereof.

6.3 Architectural Guidelines. The Declarant may adopt written architectural, landscaping and fencing guidelines (collectively, the "Architectural Guidelines") and application

and review procedures, which may provide for a review fee. The Declarant shall have the sole and full authority to prepare and to amend, modify, repeal or expand, in whole or in part, from time to time at its sole discretion and without notice, the Architectural Guidelines. In the event Declarant modifies, expands or repeals all or any portion of the Architectural Guidelines, the new Architectural Guidelines shall be distributed to all Owners and Occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, canceled or modified by a majority of the Total Association Vote and the Declarant. The Declarant shall make the Architectural Guidelines available to Owners and Occupants who seek to engage in construction upon all or any portion of the Community and such Owners and Occupants shall conduct their operations strictly in accordance therewith and with the provisions of this Article 6. The Declarant shall provide, without cost, a copy of the Architectural Guidelines then in effect to any requesting Owner or Mortgagee.

All Owners and Occupants of Lots are hereby notified that the use of their Lots is limited by the Architectural Guidelines, as they may be amended, expanded, and otherwise modified hereunder. Each Owner, by acceptance of a deed or entering into a contract of sale, acknowledges and agrees that the use and enjoyment and marketability of his or her Lot can be affected by the Architectural Guidelines, that the Architectural Guidelines may change from time to time, and that such changed Architectural Guidelines may or may not be set forth in an instrument recorded in the Gwinnett County, Georgia land records.

6.4 Limitation of Liability. Plans and specifications are not approved for engineering or structural design, quality of materials or for compliance with applicable building codes, permitting requirements, zoning conditions or other applicable governmental laws, ordinances and regulations governing construction in the Community and by approving such plans and specifications the Declarant, KL LB Buy 2, the Association and their respective directors, officers, members, representatives, agents or employees assume no liability or responsibility therefor or for any defect in any structure or improvement constructed from such plans and specifications or for any violation of applicable building codes, permitting requirements, zoning conditions or for any other violation of applicable governmental laws, ordinances and regulations governing construction within the Community. Neither Declarant, KL LB Buy 2, the Association, nor their respective officers, directors, members, employees, representatives and agents shall be liable in damages to anyone submitting plans and specifications for approval or to any Owner of property affected by these restrictions by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove such plans or specifications. Every Person who submits plans and specifications and every Owner agrees that such Person or Owner will not bring any action or suit against the Declarant, KL LB Buy 2, the Association or their respective officers, directors, members, employees, representatives and agents to recover any damages and hereby releases, remises, quitclaims and covenants not to sue for all claims, demands and causes of action arising out of or in connection with any judgment, negligence or nonfeasance and hereby waives the provisions of any law which provides that a general release does not extend to claims, demands and causes of action not known at the time the release is given.

6.5 No Waiver. The approval of the Declarant of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval or consent of the Declarant, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications or drawings or matters subsequently or additionally submitted for approval or consent.

6.6 Variances. Notwithstanding anything to the contrary contained herein, Declarant or KL LB Buy 2 shall be authorized to grant individual variances from any of the provisions of this Declaration or the Architectural Guidelines if it determines that waiver of application or enforcement of the provision in a particular case is dictated by unique circumstances, such as, but not limited to, topography, natural obstructions, hardship, aesthetic considerations or environmental considerations. No variance issued shall: (a) be effective unless in writing; (b) be inconsistent with the overall scheme of development for the Community; or (c) prevent Declarant or KL LB Buy 2 from denying a variance in other similar circumstances. For purposes of this provision, the inability to obtain approval of any governmental agency or the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

6.7 Enforcement. Any structure, improvement or landscaping improvement placed or made in violation of this Article, including, without limitation, any construction, modification or alteration which does not conform to or is inconsistent with approved plans, shall be deemed to be nonconforming. Upon written request from the Declarant, an Owner shall, at its own cost and expense, remove such nonconforming structure or improvement and restore the land to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, Declarant and its representatives and agents shall have the right to enter the property, remove the nonconforming structure or improvement, and restore the property to substantially the same condition as previously existed. All costs, including, without limitation, reasonable attorneys' fees actually incurred, may be assessed against the Lot as a specific assessment. In such event, neither Declarant, KL LB Buy 2, the Association nor their respective officers, directors, members, employees, representatives and agents shall be held liable to any Person for exercising the rights granted by this Section, including, without limitation, claims for damages resulting from the removal of the nonconforming structure or improvement in accordance with the procedures set forth herein. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of this Article and the Architectural Guidelines may be excluded by the Declarant from the Community, subject to any applicable notice and hearing procedures contained herein or in the Bylaws. In the event of noncompliance with this Article, the Association or Declarant, respectively, may also record in the appropriate land records a notice of violation hereunder naming the violating Owner. In addition to the foregoing, Declarant or the Association, acting through the Board, shall have the authority and standing to pursue any and all remedies available at law and equity to enforce the provisions of this Article, including, without limitation, the right to levy and collect fines against non-complying Owners and Occupants in accordance with the provisions of this Declaration and the Bylaws.

6.8 Architectural Review By Declarant. Until: (a) the Declarant no longer owns any property in the Community, no longer has the option to purchase property pursuant to the Option Agreement and no longer owns any additional property that can be annexed to the Community as provided herein; and (b) each Lot has been improved with a dwelling for which a certificate of occupancy has been issued, the Declarant shall have the sole right, power and authority under this Article 6. Notwithstanding the foregoing, the Declarant may in its sole discretion relinquish architectural control as to certain types of improvements or modifications to the Board of Directors while retaining control over all other building and construction in the Community; provided, however, any right, power or authority of the Declarant which may be relinquished to the Board of Directors prior to the termination of the rights of Declarant hereunder shall only be by a written instrument executed by Declarant, signed by KL LB Buy 2 so long as it owns any property subject to the Declaration, and recorded in the Gwinnett County, Georgia land records and no such right, power or authority shall be relinquished by implication or otherwise. For example and without limitation, the Declarant may relinquish control over modifications of existing structures to the Board of Directors while retaining all authority to review and approve new home construction. Upon the surrender in writing of all or a portion of such right and authority, the Board of Directors shall then have such jurisdiction over architectural control under this Article as may have been relinquished by the Declarant. The establishment of an advisory architectural review committee shall not be deemed to be a relinquishment by Declarant of any of its right, power and authority hereunder.

After the termination or voluntary surrender of the rights of Declarant hereunder, the Board of Directors shall have all right, power and authority to review and approve all building and construction activity within the Community and this Article 6 or portions thereof, as applicable, shall then be read and interpreted as if any reference to the authority of or action by the Declarant in this Article 6 were a reference to the authority of or action by the Board of Directors. The Board of Directors may, but shall have no obligation to, establish an architectural review committee ("ARC"), which shall then have such rights, powers and authority as may be granted to it by the Board of Directors. The Board of Directors may grant to the ARC all of its rights, powers and authorities hereunder, or may grant the ARC such limited rights as it deems appropriate in its sole discretion and in such event this Article or portions thereof, as appropriate, shall then be read and interpreted as if any reference to the authority of or action by the Declarant in this Article 6 were a reference to the ARC. Notwithstanding anything herein to the contrary, the Board of Directors shall have the sole right and authority to appoint and remove the members of the ARC.

Article 7
Use Restrictions and Rules

7.1 Rules and Regulations. The Board of Directors may, from time to time, with the consent of the Declarant and without a vote of the members, promulgate, modify or delete reasonable rules and regulations applicable to the Community. Such rules and regulations shall be distributed to all Owners prior to the date that they are to become effective and shall thereafter be binding upon all Owners and Occupants until and unless overruled, canceled or modified by a majority of the Total Association Vote, Declarant and KL LB Buy 2.

All Owners and Occupants of Lots are hereby notified that the use of their Lots is limited by the rules and regulations, as they may be amended, expanded, and otherwise modified hereunder. Each Owner, by acceptance of a deed or entering into a contract of sale, acknowledges and agrees that the use and enjoyment and marketability of his or her Lot can be affected by the rules and regulations, that the rules and regulations may change from time to time, and that such changed rules and regulations may or may not be set forth in an instrument recorded in the Gwinnett County, Georgia land records.

7.2 Residential Use. Each Lot shall be used for residential purposes exclusively. Leasing of a Lot for residential occupancy shall not be considered a business or business activity. No trade or business of any kind may be conducted in or from a Lot, except that the Owner or Occupant residing at the Lot may conduct business activities within the residential dwelling located thereon so long as the business activity: (a) does not otherwise violate the provisions of the Declaration, Bylaws or any rules and regulations of the Association; (b) is not apparent or detectable by sight, sound or smell from the exterior of the Lot; (c) does not unduly increase traffic flow or parking congestion; (d) conforms to all zoning requirements for the Community; (e) does not increase the insurance premium paid by the Association or otherwise negatively affect the ability of the Association to obtain insurance coverage; (f) is consistent with the residential character of the Community; (g) does not constitute a nuisance or a hazardous or offensive use; (h) does not threaten the security or safety of other residents of the Community; and (i) does not involve door-to-door solicitation within the Community, all as may be determined in each case in the sole discretion of the Board of Directors. The Board may issue rules regarding permitted business activities.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to Persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (x) the activity is engaged in full or part-time; (y) the activity is intended to or does generate a profit; or (z) a license is required for the activity. Notwithstanding anything to the contrary herein, nothing in this Section 7.2 shall be construed as prohibiting the Declarant and KL LB Buy 2 from maintaining model homes, speculative housing, sales offices or construction trailers in the Community.

7.3 Signs. No sign of any kind shall be erected or displayed within the Community without prior written approval under Article 6 hereof or in compliance with the Architectural Guidelines; provided, however, the following signs may be erected on any Lot without approval: (a) one (1) professionally lettered "For-Sale" or "For Rent" sign consistent with the Community-Wide Standard; (b) security signs not larger than 18-inches by 18-inches consistent with the Community-Wide Standard; and (c) signs required by legal proceedings. Notwithstanding the foregoing, the Board, on behalf of the Association, or the Declarant shall have the right to erect and display reasonable and appropriate signs including, without limitation, signs relating to the development, construction, marketing or sales of residential dwellings located on Lots in the Community. The Board of Directors shall also have the right to adopt reasonable rules and regulations governing the display and placement of signs in the Community, including, without limitation, imposing reasonable time, place and manner restrictions. The Board or Declarant, as the case may be, may impose a reasonable fine per day for the display of any sign which violates this provision and is not removed within twenty-four (24) hours after written demand is delivered to the Owner at that Lot. Notwithstanding anything to the contrary herein, the provisions of this Section shall not apply to any Mortgagee in possession due to foreclosure of a first Mortgage or as grantee pursuant to any deed in lieu of such foreclosure.

7.4 Vehicles: Parking.

(a) General. Vehicles shall be parked only in appropriate parking spaces serving the Lot or other designated parking areas established by the Board, if any. The term "vehicles," as used herein, shall include, without limitation, motor homes, boats, trailers, motorcycles, minibikes, scooters, go carts, golf carts, trucks, campers, buses, vans and automobiles. The term "parking spaces serving the Lot" shall refer to the number of garage parking spaces and if, and only if, the Owners and Occupants of a Lot have more vehicles than the number of garage parking spaces, those excess vehicles which are an Owner's or Occupant's primary means of transportation on a regular basis may be parked on the driveway located on such Lot; provided, however, no vehicle parked on a driveway shall encroach onto any portion of a sidewalk, public right-of-way, any grassy or landscaped area or any portion of an adjacent Lot. All parking shall be further subject to such reasonable rules and regulations as the Board may adopt from time to time.

(b) Garages. All homes shall contain a garage; carports shall not be permitted. Garage doors should be kept closed at all times, except during times of ingress and egress from the garage. Garages shall be used primarily for the parking of vehicles and not for storage or other purposes; provided, however the use of a garage for storage shall be permitted provided such storage does not prevent an Owner or Occupant from parking such Owner's or Occupant's vehicles in the garage on a regular basis. Garages shall not be converted to additional living space unless the same has been approved in accordance with Article 6 hereof.

(c) Disabled and Stored Vehicles. No vehicle may be left upon any portion of the Community, except in an enclosed garage or other area designated by the Board, if any, for a period of more than five (5) days if it is not licensed or if it is in a condition such that it is incapable of being operated upon the public highways. After such five-day period, such vehicle may be removed from the Community by the Board of Directors or the appropriate authority of

Gwinnett County. No towed vehicle, boat, personal watercraft, recreational vehicle, motor home, trailer, motorcycle, minibike, scooter, go cart, golf cart, commercial vehicle, camper, bus or mobile home shall be regularly stored in the Community or temporarily kept in the Community, except if kept in an enclosed garage or other area designated by the Board, if any, for periods longer than forty-eight (48) hours (the temporary removal of such vehicle from the Community shall not be sufficient to establish compliance with the forty-eight (48) consecutive hour provision provided for herein). Trucks with mounted campers which are used as a primary means of transportation shall not be considered recreational vehicles provided they are used on a regular basis for transportation and the camper is stored out of public view upon removal. No eighteen-wheel trucks or the cabs of such trucks shall be parked, kept or stored within the Community except as may be reasonably necessary to provide service to or delivery within the Community or as otherwise permitted by the Board of Directors.

(d) Commercial Vehicles. The term "commercial vehicles" as used in this paragraph, shall include, without limitation, any vehicle which bears any indicia of commercial use, including, but not limited to, writing, logos, ladders, ladder racks, vehicles displaying signage of a commercial or business nature or vehicles which are not primarily used for the transportation of passengers, all as determined by the Board in its sole discretion. Commercial vehicles shall not be permitted in the Community, except if kept in an enclosed garage or other area designated by the Board, if any; provided however, construction, service, and delivery vehicles shall be exempt from this provision for such period of time as is reasonably necessary to provide service to or make a delivery within the Community. For purposes of this subsection (d), active law enforcement vehicles shall not be deemed commercial vehicles.

(e) Remedies of the Association for Noncompliance. If any vehicle is parked on any portion of the Common Property or in violation of this Section or in violation of the Association's rules and regulations, the Board or agent of the Association may cause the vehicle to be towed or booted, subject to compliance with applicable law, including any notice required thereby. The notice may be a general notice by signage or may be placed on the vehicle, if and as allowed under applicable law, as the case may be. If a vehicle is parked in a fire lane, is blocking another vehicle, is obstructing the flow of traffic, is parked on any landscaped area or otherwise creates a hazardous condition, the Board or agent of the Association may have the vehicle towed immediately, subject to compliance with applicable law. If a vehicle is towed or booted in accordance with this subparagraph and applicable law, neither the Association nor any officer or agent of the Association shall be liable to any person for any claim of damage resulting from the towing or booting activity. Notwithstanding anything to the contrary herein, the Board may elect to impose fines or use other available sanctions, rather than exercise its authority to tow or boot.

(f) Exemptions. Notwithstanding anything to the contrary in this Section 7.4, the Declarant, KL LB Buy 2 and their respective agents, contractors, subcontractors and assigns shall have the right, during regular business hours, to park vehicles on any and all streets within the Community as needed in order to facilitate the construction, development, maintenance and build out of the Community.

7.5 Animals and Pets. No animals, livestock or poultry of any kind may be raised, bred, kept or permitted on any Lot, with the exception of dogs, cats or other usual and common household pets in a reasonable number as determined by the Board from time to time. No animals shall be kept, bred or maintained for any commercial purpose. No dog runs, runners or exterior pens for household pets shall be erected or maintained on any Lot unless approved in accordance with the provisions of Article 6 hereof. Dogs shall at all times when outside of a dwelling located on a Lot be kept on a leash or otherwise under the physical control of a responsible person. All Owners must control their animals at all times, regardless of whether such Owner is present, in a manner that will prevent any animal from: (a) making noise at objectionable sound levels for extended periods of time, whether continuously or intermittently; (b) endangering the health or safety of other Owners, their families, guests or invitees or creating fear in other Owners as to the safety of themselves, their families, guests or invitees; or (c) otherwise constituting a nuisance or inconvenience to the Owner(s) or Occupant(s) of any other Lot; all of the foregoing as determined by the Association in its sole discretion. The Association may require that an Owner remove any animal that presents an actual threat to the health or safety of residents and require abatement of any nuisance or unreasonable source of annoyance. In the event that the Owner fails to remove an animal as provided herein, the Association shall have the right, but not the obligation, to institute legal action to have the animal removed and all costs associated therewith, including, without limitation, reasonable attorneys' fees actually incurred, shall be a specific assessment against the Lot of such Owner.

All pets shall be registered, licensed and inoculated if and as required by law. Animal control authorities shall be permitted to enter the Community to patrol and remove unlicensed pets. Animal waste deposited in the Community must be removed by the owner of the animal or the person responsible for the animal. The Association may adopt reasonable rules and regulations designed to minimize damage and disturbance to other Owners and Occupants, including regulations requiring damage deposits, waste removal, leash controls and noise controls.

7.6 Nuisance. It shall be the responsibility of each Owner and Occupant to prevent the development of any unclean, unhealthy, unsightly or unkempt condition on a Lot. No property within the Community shall be used, in whole or in part, for the storage of any property or thing that will cause such Lot to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing or material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Community, nor shall anything be done tending to cause embarrassment, discomfort, annoyance or nuisance to any Person using any property within the Community. No plants, animals, device or thing of any sort shall be maintained in the Community whose activities or existence is in any way noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Community by other Owners and Occupants. Without limiting the generality of the foregoing, no exterior speaker, horn, whistle, siren, bell, amplifier or other sound device, except devices used exclusively for security purposes, screaming, shouting, excessively loud talking, fighting, raucous behavior, insobriety, playing loud music or television, use of any alarm, equipment, or device, mechanical

or otherwise, which creates or produces excessively loud sounds or any vibrations, or any conduct which creates any noxious or offensive odors outside of a home shall be permitted, located, used, placed, installed or maintained upon any Lot. The inconvenience complained of shall not be fanciful, or such as would affect only one of fastidious taste, but it shall be such as would affect an ordinary, reasonable person as determined in a particular instance by the Board. Notwithstanding anything to the contrary herein, each Owner and Occupant acknowledges that the Declarant, KL LB Buy 2 and their respective agents, contractors, subcontractors and employees may engage in construction activities on one or more Lots in the Community and further agrees that such construction activities shall not be deemed a nuisance as provided herein.

7.7 Unsightly or Unkempt Conditions. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices which might tend to cause disorderly, unsightly or unkempt conditions, shall not be pursued or undertaken in any part of the Community. This Section shall not apply to Declarant, KL LB Buy 2 and their duly respective agents, subcontractors, employees or assigns during the initial construction of a residential dwelling on a Lot.

7.8 Antennae. No exterior antenna, receiving dish or similar apparatus of any kind for receiving and/or transmitting audio or video signals shall be placed, allowed or maintained upon any portion of the Community, including any Lot, unless approved in accordance with the provisions of Article 6 hereof or as otherwise permitted by the Architectural Guidelines; provided, however, no approval shall be necessary to install the following on a residential dwelling located on a Lot: (a) antennae designed to receive direct broadcast satellite services, including direct-to-home satellite services or antennae designed to receive or transmit fixed wireless signals via satellite, that are one meter or less in diameter; (b) antennae designed to receive video programming services via multi-point distribution services or antennae designed to receive or transmit fixed wireless signals other than via satellite that are one meter or less in diameter or diagonal measurement; or (c) antennae that are designed and intended to receive television broadcast signals. Owners shall install any permitted antennae on the rear of the residential dwelling located on a Lot unless such installation: (x) imposes unreasonable delay or prevents the use of the antennae; (y) unreasonably increases the cost of installation; or (z) an acceptable quality signal cannot otherwise be obtained.

7.9 Tree Removal. No trees that are more than four (4) inches in diameter at a point twelve (12) inches above the ground and no ornamental or flowering trees, including, but not limited to, dogwood trees, cottonwood trees, cherry trees or apple trees, regardless of diameter, shall be removed without prior written approval under Article 6 hereof or otherwise in accordance with applicable Architectural Guidelines. The Association and Owners shall also comply with all zoning conditions and local ordinances applicable to tree removal. In the event of a conflict between the provisions of this Section and any zoning condition or local ordinance, the more restrictive provision shall govern. This provision shall not apply to the removal of trees by the Declarant, KL LB Buy 2 or the Association.

7.10 Drainage. Catch basins, retention ponds, detention ponds, drainage easement areas and related drainage facilities are for the purpose of controlling the natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner may obstruct or alter drainage flow across or from a Lot after the location and installation of catch basins, retention ponds, detention ponds, drainage swales, storm sewers or storm drains without approval in accordance with Article 6 hereof. In the event storm water drainage from any Lot or Lots flows across another Lot, provisions shall be made by the Owner of such downstream Lot to permit such drainage to continue, without restriction or reduction, across the downstream Lot and into the natural drainage channel or course although no specific drainage easement for such flow of water is provided on the subdivision plat for the Community recorded in the Gwinnett County, Georgia land records.

7.11 Sight Distance at Intersections. All property located at street intersections shall be landscaped so as to permit safe sight across the street corners. No fence, wall, hedge, shrub or other planting or thing shall be placed or permitted to remain where, in the opinion of the Board of Directors, it would create an unsafe condition.

7.12 Garbage Cans, Woodpiles, Etc. All garbage cans, recycling bins, woodpiles, swimming pool pumps, filters and related equipment, and other similar items shall be located or screened so as to be concealed from the view of neighboring streets and property. All rubbish, trash, garbage, recycling materials and yard waste shall be regularly removed and shall not be allowed to accumulate.

7.13 Subdivision of Lot. No Lot shall be subdivided or its boundary lines changed except with prior written approval in accordance with the provisions of Article 6 hereof. Declarant however, hereby expressly reserves the right to subdivide and/or revise and re-record the subdivision plat of any Lot(s) with the consent of the Owner of the affected Lot(s) and to approve the revision and re-recording of any plat of any Lot(s) owned by Declarant, KL LB Buy 2 or any other builder or developer, including, but not limited to, changing any Lot to Common Property, changing Common Property to a Lot or right-of-way or creating a public or private street over all or any portion of a Lot, Common Property or other property within the Community, without the consent of any Person, other than the Owner(s) of such Lot(s) and KL LB Buy 2 so long as it owns any property subject to the Declaration.

7.14 Firearms. The discharge of firearms within the Community is prohibited; provided, however, the display and discharge of lawful firearms is permitted by law enforcement officers in the performance of their respective duties. The term "firearms" includes, but is not limited to, "B-B" guns, pellet guns, archery equipment and firearms of all types, regardless of size.

7.15 Fences. No fence or fencing type barrier of any kind shall be placed, erected, allowed or maintained upon any Lot without prior written approval in accordance with Article 6 hereof or in compliance with applicable Architectural Guidelines; provided, however, under no circumstances shall a chain link or barbed wire fences be permitted. Guidelines detailing acceptable fence styles or specifications may be issued pursuant to Article 6. Notwithstanding the foregoing, Declarant, KL LB Buy 2 and the Association may erect any type of fence on the

Common Property or elsewhere within the Community as they may deem appropriate or as necessary to satisfy the requirements of any law, regulation or governmental entity or for the health and safety of Owners and Occupants.

7.16 Utility Lines. No overhead utility lines, including lines for cable television, shall be installed within the Community.

7.17 Air-Conditioning Units. No window air conditioning units may be installed.

7.18 Exterior Lighting and Holiday Displays and Decorations.

(a) Exterior Lighting. Exterior lighting on any Lot visible from the street shall not be permitted, except for: (i) approved lighting as originally installed on a Lot; (ii) one decorative post light; (iii) street lights in conformity with an established street lighting program for the Community; (iv) reasonable seasonal decorative lights displayed for a reasonable period of time during the holiday season(s), subject to any rules and regulations adopted by the Board; (v) front house illumination of model homes; or (vi) other lighting approved under Article 6 hereof or in accordance with applicable Architectural Guidelines.

(b) Holiday Displays and Decorations. Religious or holiday symbols and decorations may be displayed on a Lot of the kinds normally displayed in single-family residential neighborhoods; provided, however, the Association may adopt reasonable time, place and manner restrictions with respect to said symbols and decorations visible from outside of a structure located on a Lot, including, without limitation, limitations on appearance, style, size, and number.

7.19 Conservation Equipment. Except as may be installed by Declarant or KL LB Buy 2, approved pursuant to Article 6 hereof or otherwise permitted in the Architectural Guidelines, no solar energy collector panels, attendant hardware or other conservation equipment shall be constructed or installed on a Lot; provided, however, any approved energy collector panels or attendant hardware or other conservation equipment shall be an integral and harmonious part of the architectural design of a structure or otherwise screened from view.

7.20 Swimming Pools. No swimming pool shall be constructed, erected or maintained upon any Lot without prior written approval in accordance with Article 6 hereof and in no event shall any above-ground swimming pool be permitted; provided, however, portable or inflatable wading pools designed for use by small children shall be permitted so long as they are properly maintained and stored out of view from neighboring property and public streets when not in use.

7.21 Artificial Vegetation, Gardens, Play Equipment, Exterior Sculpture, Water Features and Similar Items. No artificial vegetation shall be permitted on the exterior of a Lot or on the Common Property. No vegetable garden, hammock, statuary, play equipment (including, without limitation, basketball goals), exterior sculpture, fountains, or water features may be erected on any Lot without prior written approval in accordance with Article 6 hereof or in compliance with the Architectural Guidelines.

7.22 Clotheslines. No exterior clotheslines of any type shall be permitted upon any Lot.

7.23 Entry Features. Owners shall not alter, remove or add improvements to any entry features or streetscapes erected by or on behalf of the Declarant, KL LB Buy 2 or the Association on any Lot in connection with the original development of the Community, or any part of any easement area associated therewith without prior written approval in accordance with the provisions of Article 6 hereof or in accordance with applicable Architectural Guidelines.

7.24 Outbuildings and Similar Structures. No structure of a temporary nature shall be erected or allowed to remain on any Lot, and no trailer, camper, shack, tent, garage, barn or other structure may be used as a residence, either temporarily or permanently, without prior written approval under Article 6 hereof or in compliance with applicable Architectural Guidelines. However, this Section shall not be construed to prevent Declarant, KL LB Buy 2, their respective representatives and agents and those engaged in development, construction, marketing, property management or sales in the Community from using sheds, trailers or other temporary structures for any of the foregoing purposes. In addition, nothing in this Section shall be construed to prevent Declarant or any builder approved by Declarant or KL LB Buy 2 from developing, constructing, marketing, or maintaining model homes, speculative housing, sales offices or construction trailers within the Community.

7.25 Flags. No flags may be displayed on any Lot without prior written approval in accordance with Article 6 hereof or as may be otherwise permitted in the Architectural Guidelines; provided, however no approval shall be required to display the flag of the United States of America and the current flag of the State of Georgia on a Lot in accordance with the provisions of the U.S. Flag Code (36 US Code 10) and usual and customary practice. The Board of Directors may promulgate reasonable rules and regulations with respect to the display of flags in the Community, including, without limitation, regulating the size of flags that may be displayed and imposing reasonable time, place and manner restrictions pertaining to the display of the United States flag; provided, however, the Association shall not enact any rule or regulation which has the effect of prohibiting any Owner from displaying the flag of the United States of America on a Lot in the Community in contravention of the Freedom to Display the American Flag Act of 2005.

7.26 Garage Sales. No garage sale, carport sale, yard sale, flea market, or similar activity shall be conducted in any portion of the Community without the prior written consent of the Board of Directors. If permitted, such activities shall be subject to all reasonable conditions that the Board may impose.

7.27 Window Treatments No foil or other reflective materials shall be used on any windows for sunscreens, blinds, shades or for any other purpose. The side of all window treatments, with the exception of stained wood blinds or shutters, which can be seen at any time from the outside of any structure located on a Lot shall be white, off-white or such other color(s) as may be permitted in the Architectural Guidelines. Bed sheets, blankets, towels, black plastic, paper and similar type items shall not be used as window treatments.

7.28 Storm and Screen Doors and Windows. Owners shall not install or maintain storm doors, screen doors, storm windows, window screens or any of the foregoing on any Lot without prior written approval in accordance with the provisions of Article 6 hereof or in accordance with applicable Architectural Guidelines.

7.29 Storm Water Detention/Retention Ponds. Except as herein provided, all storm water retention/detention ponds within the Community shall be used for aesthetic amenities and storm water drainage only; no other use thereof, including, without limitation, swimming, ice skating, playing, or use of personal flotation devices, and other recreation, shall be permitted, without the written consent of the Board of Directors.

The Association, Declarant, KL LB Buy 2 and their respective representatives, agents, employees, officers or directors shall not be responsible for any loss, damage, or injury to any person or property arising out of the authorized or unauthorized use of any storm water detention/retention pond within the Community. No Owner shall have any right to place rocks, stones, trash, garbage, sewage, waste water, rubbish, debris, ashes or other refuse in any body of water located within the Community. Applicable governmental agencies, Declarant, KL LB Buy 2 and the Association, shall have the sole right to control the water level of all bodies of water located within the Community and to control the growth and eradication of plants, fowls, reptiles, animals, fish and fungi in and around any storm water detention/retention pond within the Community. Owners shall not be permitted to withdraw water from any storm water detention/retention pond without the prior written consent of the Board of Directors.

7.30 Transient Rentals. Notwithstanding anything herein to the contrary, under no circumstances shall any portion of a Lot be leased, rented or used for short-term transient or hotel purposes or rented through short-term internet rental services, including, without limitation, VRBO, Airbnb, HomeAway, or such other similar rental services.

7.31 Buffer Areas. Portions of the Community contain one or more buffer areas and/or impervious setback areas, as may be more particularly identified on the recorded subdivision plat(s) for the Community. No land disturbing or construction activities shall be permitted within said buffer areas or impervious setback areas unless approved pursuant to Article 6 hereof and in compliance with any applicable local or governmental laws, ordinances and regulations, including, without limitation, the Control of Erosion and Sedimentation Act, O.C.G.A. Section 12-7-1, *et seq.*, as amended from time to time and applicable Gwinnett County rules, regulations and zoning conditions.

7.32 Restricted Use of Common Property. A portion of the Community is designated as an Open Space Conservation District in accordance with Section 212-50 of the Gwinnett County, Georgia Code of Ordinances ("Code"). In accordance with the Code, a portion of the Common Property is intended to be primary conservation area, as the same may be shown on one or more recorded subdivision plat(s) applicable to the Community (hereinafter, the "Conservation Areas"). In accordance with the Code, the Conservation Areas conveyed by deed and shown on the recorded subdivision plat shall remain permanently protected and shall not be disturbed,

cleared or developed except in accordance with O.C.G.A. Section 36-22-1, *et seq.*, having the following greenspace goals: protection of streams, floodplains and wetlands; steep slopes; woodlands, open fields and meadows; historical and archaeological features, including cemeteries; significant wildlife habitats, scenic vistas; encouragement of native species; passive recreation and connectivity with nearby open spaces. The following uses of the Conservation Areas may be allowed: passive recreational amenities, such as paths, greenways, community hiking, running, dog walking, bird watching, biking and similar outdoor uses. The restrictions set forth in the Code are intended to benefit said area to the public and the use of the same to the Lot Owners and Occupants, and it shall run in perpetuity as provided by O.C.G.A. Section 44-5-60(c).

The Board of Directors shall have the right to adopt rules and regulations regarding the use of the Conservation Areas and such use shall be consistent with the restrictions set forth in the Code.

7.34 Walking Trails. The Community is expected to contain walking trails. Unless otherwise provided by the Board, bicycles, roller blades, skate boards, go-carts, minibikes, scooters or motorcycles, with or without electric motors, or similar wheeled means of transportation or recreation shall not be permitted on any walking trails in the Community; provided, however, this provision shall not prohibit any person with a disability from using a wheelchair or other necessary transportation device on the paths and trails in the Community. Notwithstanding the foregoing, bicycles, roller blades, skate boards and non motorized scooters shall be permitted on any bike paths, subject to reasonable rules and regulations adopted by the Board. The Board of Directors may adopt such rules and regulations as may be deemed appropriate concerning the use of the paths and trails in the Community. This provision shall not apply to concrete sidewalks located along the public streets within the Community.

Article 8 Leasing of Lots

8.1 General. Lots may be leased only in their entirety; rooms, basements or fractions or portions of a Lot may not be leased without the prior written approval of the Board of Directors. All leases shall be in writing. There shall be no subleasing of Lots or assignment of leases unless approved in writing by the Board of Directors. The Owner must provide the lessee with copies of the Declaration, Bylaws, and the rules and regulations of the Association and Architectural Guidelines, and the lease shall provide that the Owner has made available to the lessee copies of the Declaration, Bylaws and the Association's rules and regulations and Architectural Guidelines.

8.2 Notice. Within ten (10) days after executing a lease agreement for the lease of a Lot, the Owner shall provide the Board of Directors with the following information: (a) a copy of the fully executed lease agreement; (b) the name of the lessee and all other people occupying the Lot; (c) the phone number of the lessee; (d) the Owner's email address, telephone number and mailing address other than at the Lot; and (e) other such information as the Board may reasonably require.

8.3 Compliance with Declaration, Bylaws, and Rules and Regulations. Each Owner covenants and agrees that any lease of a Lot shall contain the following language and agrees that if such language is not expressly contained therein, then such language shall be incorporated into the lease by existence of this covenant, and the lessee, by occupancy of the Lot, agrees to the applicability of this covenant and incorporation of the following language into the lease:

Lessee shall abide by and comply with all provisions of the Declaration, Bylaws, and rules and regulations and Architectural Guidelines adopted pursuant thereto and shall control the conduct of all other Occupants and guests of the leased Lot in order to ensure such compliance. Owner agrees to cause all Occupants of his or her Lot to comply with the Declaration, Bylaws, and the rules and regulations and Architectural Guidelines adopted pursuant thereto and is responsible for all violations caused by such Occupants, notwithstanding the fact that such Occupants of the Lot are fully liable and may be sanctioned for any violation of the Declaration, Bylaws, and rules and regulations and Architectural Guidelines adopted pursuant thereto. In the event that the lessee or a person living with the lessee violates the Declaration, Bylaws, or a rule, regulation or Architectural Guideline for which a fine is imposed, notice of the violation shall be given to the Owner and the lessee, and such fine may be assessed against the lessee in accordance with the provisions contained herein. If the fine is not paid by the lessee within the time period set by the Board of Directors, the Owner shall pay the fine upon notice from the Association of the lessee's failure to pay the fine. Unpaid fines shall constitute a lien against the Lot.

8.4 Liability for Assessments: Assignment of Rent. If an Owner who is leasing his or her Lot fails to pay any general, special or specific assessment or any other charge owed to the Association for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the lessee during the period of delinquency, and, upon request by the Board of Directors, lessee shall pay to the Association all unpaid general, special and specific assessments and other charges payable during and prior to the term of the lease and any other period of occupancy by lessee. However, lessee need not make such payments to the Association in excess of, or prior to the due dates for, monthly rental payments unpaid at the time of the Board of Director's request. All such payments made by lessee shall reduce, by the same amount, lessee's obligation to make monthly rental payments to lessor. If lessee fails to comply with the Board of Director's request to pay assessments or other charges, lessee shall pay to the Association all amounts authorized under the Declaration as if lessee were an Owner. The above provision shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible.

8.5 Use of Common Property. The Owner transfers and assigns to the lessee, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Property.

Article 9
Insurance and Casualty Losses

9.1 Insurance Obtained by Association. The Association shall obtain the insurance coverage necessary to satisfy the requirements of the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the U.S. Department of Veterans Affairs, and the U.S. Department of Housing and Urban Development, as applicable to the Community. Additionally, the Board of Directors shall obtain casualty insurance for all insurable improvements, whether or not located on the Common Property, which the Association is obligated to maintain. Insurance obtained and maintained by the Association shall provide, at a minimum, fire and extended coverage and shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from such hazard. The Board of Directors shall obtain a commercial general liability policy applicable to the Common Property covering the Association and its members for all damage or injury caused by the negligence of the Association or any of its members or agents, and, if reasonably available, directors' and officers' liability insurance. The commercial general liability policy shall have a combined single limit of at least One Million and No/100 Dollars (\$1,000,000.00). Policies may contain a reasonable deductible as determined by the Board of Directors. Notwithstanding the foregoing, nothing in this Section 9.1 shall be construed as obligating the Association to obtain or maintain insurance covering a Lot, including, without limitation, any structures or improvements located thereon or a Lot Owner's or Occupant's personal property.

In addition to the other insurance coverage required by this Section, the Board of Directors shall obtain workers compensation insurance, if and to the extent necessary to satisfy the requirements of applicable law, and, if available at reasonable cost, as determined in the sole discretion of the Board, a fidelity bond or employee dishonesty coverage covering directors, officers, employees and other Persons handling or responsible for the Association's funds. The amount of fidelity or employees dishonesty coverage, if obtained, shall be determined in the director's best business judgment and shall satisfy local, state or federal requirements for such coverage, if any. Such coverage, if obtained, shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation and shall not be subject to cancellation, nonrenewal or substantial modification without at least ten (10) days' prior written notice to the Association. The Association shall also obtain construction code endorsements, steam boiler coverage and flood insurance, if and to the extent necessary to satisfy the applicable requirements of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association.

9.2 Insurance Obtained by Lot Owners. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner acknowledges that the Association has no obligation to provide any insurance for any portion of a Lot and each Owner covenants and agrees with all other Owners and with the Association that each Owner shall obtain and maintain the following: (a) all-risk casualty insurance on the Lot and all structures, dwellings and improvements located or constructed thereon, which shall cover loss or damage by fire and other hazards commonly insured under an all-risk policy and, if reasonably available, shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or

destruction from such hazard; (b) a liability policy covering damage or injury occurring on a Lot; and (c) insurance covering an Owner's or Occupant's personal property. The policies required hereunder shall be in effect at all times.

9.3 Damage and Destruction -- Insured by Association. Immediately after damage or destruction by fire or other casualty to any portion of any structure or improvement covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed property. Repair or reconstruction, as used in this Section, means repairing or restoring the property to substantially the same condition and location that existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes. Any damage or destruction to property covered by insurance written in the name of the Association shall be repaired or reconstructed unless, within sixty (60) days after the casualty, a proposal not to repair or reconstruct such property is approved by at least seventy-five percent (75%) of the Total Association Vote, Declarant and KL LB Buy 2. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within such period, then the period shall be extended until such information is made available; provided, however, such extension shall not exceed sixty (60) days. If the damage or destruction for which the insurance proceeds are paid is to be repaired or reconstructed and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the members of the Association, levy a special assessment against the Owner of each Lot subject to assessment under Article 4 hereof. Additional assessments may be made in like manner, as necessary, at any time during or following the completion of any repair or reconstruction. If the funds available from insurance exceed the costs of repair or reconstruction or if the improvements are not repaired or reconstructed, such excess funds shall be deposited to the benefit of the Association. In the event that it should be determined by the Association in the manner described above that the damage or destruction shall not be repaired or reconstructed and no alternative improvements are authorized, the property shall thereafter be maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard and this Declaration.

9.4 Damage and Destruction -- Insured by Owners. The damage or destruction by fire or other casualty to all or any portion of any structure or improvement located on a Lot shall be repaired or reconstructed by the Owner thereof in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article 6 of this Declaration. Said repair or reconstruction shall be completed within seventy-five (75) days after such damage or destruction occurred or, where repairs cannot be completed within seventy-five (75) days, they shall be commenced within such period and shall be completed within a reasonable period of time thereafter. Alternatively, the Owner of the Lot may elect to demolish all improvements on the Lot and remove all debris and ruins therefrom within seventy-five (75) days after such damage or destruction occurred and thereafter maintain the Lot in a neat and attractive, landscaped condition consistent with the Community-Wide Standard and this Declaration. The Owner shall pay all costs which are not covered by insurance proceeds.

9.5 Insurance Deductible for Common Property. In the event of an insured loss to the Common Property, the deductible shall be treated as part of the common expenses of the Association; provided, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the Bylaws, that the loss is the result of the negligence or willful misconduct of one or more Owners or their Occupants, guests, invitees, or lessees, then the Board may levy a specific assessment in the full amount of such deductible against such Owner(s) and his/her Lot(s).

Article 10
Easements

10.1 General. Each Lot shall be subject to those easements, if any, shown or set forth on the recorded subdivision plat(s) for the Community, as amended from time to time, as well as the easements now or hereafter established by Declarant or KL LB Buy 2 in this Declaration or by any other document recorded in the Office of the Clerk of Superior Court of Gwinnett County, Georgia.

10.2 Easements for Use and Enjoyment. Every Owner of a Lot shall have a right and easement of ingress and egress, use and enjoyment by the Owner and the Occupants of the Owner's Lot in and to the Common Property which shall be appurtenant to and shall pass with the title to each Lot, subject to the following:

(a) the right of the Association to borrow money for the purpose of improving the Common Property, or any portion thereof, or for constructing, repairing or improving any facilities located or to be located thereon and, upon the affirmative vote of Owners of at least two-thirds (2/3) of the Lots and the consent of Declarant and KL LB Buy 2 so long as KL LB Buy 2 owns any property subject to the Declaration, to give as security for the payment of any loan a Mortgage conveying all or any portion of the Common Property; provided, however, the lien and encumbrance of such Mortgage given by the Association shall be subject and subordinate to any rights, interests, options, easements and privileges herein reserved or established for the benefit of Declarant, KL LB Buy 2 or any Owner or the holder of any Mortgage encumbering any Lot or other property located within the Community (regardless of any contrary provision in this Declaration or in any such Mortgage given by the Association, the exercise of any rights by the holder of such Mortgage in the event of a default thereunder shall not cancel or terminate any rights, easements or privileges herein reserved or established for the benefit of Declarant, KL LB Buy 2 or any Owner or the holder of any Mortgage encumbering any Lot or other property located within the Community);

(b) the right of the Association, acting through the Board of Directors and without a vote of the members, to dedicate or grant licenses, permits, easements and rights-of-way over, under and through the Common Property;

(c) the right of the Association to transfer or convey title to all or any portion of the Common Property upon the approval of the Owners of at least two-thirds (2/3) of the Lots and

the consent of Declarant and the consent of KL LB Buy 2 so long as it owns any property subject to the Declaration; and

(d) all other rights of the Association, Declarant, KL LB Buy 2, Owners and Occupants set forth in this Declaration, in any Supplementary Declaration, or in any deed conveying Common Property to the Association.

10.3 Easements for Utilities. There is hereby reserved to KL LB Buy 2 and granted to Declarant and the Association a blanket easement upon, across, above and under all property within the Community for access, ingress, egress, installing, altering, repairing, replacing, and maintaining all utilities serving the Community or any portion thereof, including, but not limited to, gas, water, sanitary sewer, telephone and electricity, as well as storm drainage and any other service such as, but not limited to, a master television antenna system, cable television system, or security system which Declarant, KL LB Buy 2 or the Association might decide to have installed to serve the Community. Declarant, KL LB Buy 2, the Association or their respective designees, as the case may be, may alter drainage and water flow, install, repair, replace and maintain or authorize the installation, repair, replacement and maintenance of such wires, conduits, cables and other equipment related to the providing of any utility or service. Should any party furnishing any utility or service request a specific license or easement by separate recordable document, the Declarant or the Board shall have the right to grant such easement, provided that no such easement shall be recorded without the prior written consent of KL LB Buy 2, so long as it owns any property subject to the Declaration. The Board of Directors, without a vote of the Owners, but with the written consent of KL LB Buy 2 so long as it owns any property subject to this Declaration, shall have the right, power and authority to grant permits, licenses, utility easements and other easements under, through, or over the Lots, and/or the Common Property, as may be reasonably necessary to or desirable for the proper maintenance and ongoing operation of the Community.

10.4 Easement for Emergency Entry. The Association shall have the right, but not the obligation, to enter upon any Lot for emergency, security and safety reasons and to inspect for the purpose of ensuring compliance with this Declaration, any Supplementary Declaration, Bylaws, rules and regulations of the Association and Architectural Guidelines, which right may be exercised by any member of the Board, the officers, agents, employees, and managers of the Association and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter upon any Lot to cure any condition which may increase the possibility of a fire, slope erosion or other hazard in an emergency situation and in the event an Owner fails or refuses to cure the condition within a reasonable period of time after requested by the Association, but shall not authorize entry into any residential dwelling located on a Lot without the permission of the Owner thereof.

10.5 Easement for Maintenance - Association. KL LB Buy 2 hereby grants to Declarant and the Association a perpetual easement across the exterior portions of all Lots as may be reasonably necessary to perform the maintenance required hereunder. Such maintenance shall be

performed with a minimum of interference to the quiet enjoyment of Lots, reasonable steps shall be taken to protect such property and damage shall be repaired by the Association or its contractor(s) at their sole cost and expense.

10.6 Easement for Maintenance - Owners. KL LB Buy 2 hereby reserves for the benefit of each Lot reciprocal appurtenant easements between adjacent Lots and an easement for the benefit of each Lot over adjacent Common Property for the purpose of maintaining or repairing the improvements located on each Lot. The easements granted herein shall extend to a distance of ten (10) feet as measured from any point on the common boundary between the Lots. The easement shall be used only for such period of time as is reasonably necessary to complete the maintenance or repair. The Owner exercising this easement right shall be liable for the prompt repair of any damage to the Lot or Common Property over which this easement is exercised which arises out of such maintenance or repair work.

10.7 Easement for Encroachment and Overhang. There is hereby reserved by KL LB Buy 2 for the benefit of each Lot a reciprocal appurtenant easement for encroachment and overhang due to the original construction or the unintentional placement or settling or shifting of the improvements including, but not limited to, retaining walls, downspouts and gutters constructed, reconstructed, or altered thereon (in accordance with the terms of this Declaration) to a distance of not more than two (2) feet, as measured from any point on such common boundary; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, Occupant, or the Association, other than in the original construction of the Lots.

10.8 Easement for Entry Features and Streetscapes. There is hereby reserved by KL LB Buy 2 and granted to Declarant and the Association an easement for ingress, egress, installation, construction, landscaping and maintenance of entry features and similar streetscapes for the Community, over and upon any portion of a Lot containing such entry features or streetscapes as may be more fully described or identified on the recorded subdivision plat(s) for the Community. The easement and right herein reserved shall include the right to cut, remove and plant trees, shrubbery, flowers and other vegetation around entry features and streetscapes and the right to grade the land under and around the same.

10.9 Easement for Drainage. There is hereby reserved by KL LB Buy 2 and granted to Declarant and the Association an easement upon, across, above and under all storm water drainage easement areas as shown on the recorded subdivision plat(s) for the Community for access, ingress, egress, installing, altering, repairing, replacing, and maintaining the storm water drainage system and related facilities serving the Community or any portion thereof. This easement shall include the right to construct and maintain catch basins, retention ponds, detention ponds, drainage swales, storm sewers, storm drains, sloping banks, cut or fill. In addition, there is hereby reserved to Declarant and granted to the Association a blanket easement across all Lots for creating and maintaining satisfactory drainage in the Community; provided, however, such easement area shall not include any portion of a Lot within the outer perimeter of the dwelling structure. It is anticipated that increased storm water run-off across downstream Lots will result from the construction of impervious surfaces within or adjacent to the

Community. Declarant, KL LB Buy 2, the Association, their respective officers, directors, representative or agents or any builder or Owner constructing according to plans and specifications approved under Article 6 hereof shall not have any liability to any Owner due to the increased flow or increased velocity of surface water resulting from approved construction within the Community.

10.10 Easement During Construction and Sale Period. Notwithstanding any provisions now or hereafter contained in this Declaration, the Bylaws, Articles of Incorporation, use restrictions, rules and regulations, Architectural Guidelines, and amendments or revisions thereto, there is hereby reserved to KL LB Buy 2 and Declarant an easement across the Community to maintain and carry on, upon such portion of the Community as KL LB Buy 2 or Declarant may reasonably deem necessary, such facilities and activities as in their sole opinion may be required or convenient for its development, construction and sales activities related to property hereby and hereafter subjected to this Declaration, including, but not limited to: (a) the right to place or authorize the placement of marketing and directional signs on Lots or right-of-ways at street intersections within the Community; (b) the right of access, ingress and egress for vehicular and pedestrian traffic and construction activities over, under, on or in the Community, including, without limitation, any Lot; (c) the right to tie into any portion of the Community with streets, driveways, paths, parking areas and walkways; (d) the right to tie into and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain and repair any device which provides utility or similar services including, without limitation, electrical, telephone, cable television, natural gas, water, sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community; (e) the right to grant easements over, under, in or on the Community, including without limitation the Lots, for the benefit of neighboring properties for the purpose of tying into and/or otherwise connecting and using sewer and drainage lines and facilities constructed or installed in, on, under and/or over the Community; (f) the right, without the consent of any Person, to subdivide and/or revise and re-record the subdivision plat(s) of the Community, including, without limitation, creating and/or more specifically describing any Lot, changing any Lot or portion of a Lot to Common Property, changing Common Property to a Lot or right-of-way or creating a public or private street over all or any portion of a Lot or other property within the Community; provided, however, the boundary lines of any Lot not owned by Declarant or KL LB Buy 2 shall not be changed without the written consent of the Owner(s) and Mortgagee(s) of such Lot; (g) the right, but not the obligation, to construct utilities, recreational facilities and other improvements on Common Property; (h) the right to carry on sales and promotional activities in the Community; and (i) the right to construct and operate business offices, signs, construction trailers, model residences and sales offices. Declarant and KL LB Buy 2 may use residences, offices or other buildings they own or lease as model residences and sales offices. This Section shall not be amended without the written consent of Declarant and KL LB Buy 2 until the rights of Declarant have terminated as provided in Sections 11.5 hereof.

Article 11
General Provisions

11.1 Enforcement. Each Owner and Occupant shall comply strictly with the Bylaws, rules and regulations, use restrictions and Architectural Guidelines, as amended or modified from time to time, and with the covenants, conditions, easements and restrictions set forth in this Declaration, the recorded subdivision plat(s) for the Community and in the deed to such Owner's Lot, if any. The Declarant or the Association, acting through the Board of Directors, may impose fines or other sanctions for violations of the foregoing in accordance with this Declaration and the Bylaws, which fines shall be collected as provided herein for the collection of assessments; provided, however, only one fine may be imposed for a single violation such that an Owner or Occupant may not be fined by Declarant and the Association for the same violation; and provided, further, the Declarant or the Association, as the case may be, may count each day a violation continues after notice thereof as a separate violation. In the event fines or other sanctions are imposed by Declarant, Declarant shall have any and all rights to collect such fines or sanctions (which fines shall be payable to the Association) and any related charges, including, without limitation, attorneys' fees actually incurred and costs of collection, in the same manner as provided herein for the collection of assessments by the Association acting through the Board.

Failure to comply with this Declaration, the Bylaws, the use restrictions, rules and regulations or the Architectural Guidelines shall be grounds for an action to recover sums due for damages or injunctive relief or both, including, without limitation, reasonable attorneys' fees actually incurred, maintainable by the Association, Declarant, or an aggrieved Owner. The failure by the Declarant, the Association or any Owner to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. Declarant or the Association, as the case may be, shall have the right to record in the Gwinnett County, Georgia land records a notice of violation of the Declaration, Bylaws, rules and regulations, use restrictions or Architectural Guidelines and to assess the cost of recording and removing such notice against the Lot of the Owner who is responsible (or whose Occupants are responsible) for violating the foregoing.

11.2 Occupants Bound. All provisions of the Declaration, Bylaws, rules and regulations, use restrictions and Architectural Guidelines which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants and the guests and invitees of Owners and Occupants. The Owner shall be responsible for insuring that the Occupants, the guests, invitees and licensees of the Owner and Occupant strictly comply with all provisions of the Declaration, Bylaws, rules and regulations, use restrictions and Architectural Guidelines. Fines may be levied against Owners or Occupants. If a fine is first levied against an Occupant and is not timely paid, the fine may then be levied against the Owner.

11.3 Self-Help. In addition to any other remedies provided for herein, the Association, acting through the Board, the Declarant or their respective duly authorized agents shall have the power to enter upon any Lot or any other portion of the Community to abate or remove any structure, improvement, thing or condition which violates this Declaration, the Bylaws, the rules and regulations, the use restrictions or the Architectural Guidelines. Unless an emergency situation exists, the violating Owner shall be given ten (10) days' written notice of the intent to

exercise self-help. Notwithstanding the foregoing, vehicles may be towed after giving any notice required herein or by law. All costs of self-help, including, without limitation, reasonable attorneys' fees actually incurred, shall be assessed against the Lot of the violating Owner as a specific assessment.

11.4 Duration. The covenants, conditions, restrictions and easements contained in this Declaration shall run with and bind the Community, and shall inure to the benefit of and shall be enforceable by the Association, KL LB Buy 2, Declarant and any Owner, their respective legal representatives, heirs, successors, and assigns, perpetually to the extent provided by law; provided, however, if and to the extent that Georgia law limits the period during which covenants restricting land to certain uses may run, any provisions of this Declaration affected thereby shall run with and bind the land so long as permitted by such law, after which time, any such provision(s) shall be automatically extended for successive periods of twenty (20) years (or the maximum period allowed by applicable law, if less), unless a written instrument signed by the then Owners of at least two-thirds (2/3) of the Lots has been recorded within the year immediately preceding the beginning of a twenty (20) year renewal period agreeing to terminate the same, in which case this Declaration shall be terminated to the extent specified therein.

11.5 Termination of Rights of Declarant. The rights of Declarant to take, approve or consent to actions under this Declaration, the Articles of Incorporation and the Bylaws shall cease and be of no further force and effect upon the earlier of: (a) the date that the Declarant no longer owns any property in the Community, no longer has the option to purchase property from KL LB Buy 2 and no longer owns any additional property which may be added to the Community as provided herein and a certificate of occupancy has been issued for the residential dwelling located on each Lot in the Community; or (b) the date of recording by Declarant in the Gwinnett County, Georgia land records of a written instrument terminating all of Declarant's rights hereunder.

11.6 Amendment.

(a) By the Declarant. Subject to subsection (d) hereof, this Declaration may be amended unilaterally at any time and from time to time by Declarant if such amendment is: (i) necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, regulation or judicial determination which shall be in conflict therewith; (ii) necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (iii) required by an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Lots subject to this Declaration; or (iv) necessary to enable any governmental agency or private insurance company, including without limitation, the U.S. Department of Housing and Urban Development and the U.S. Department of Veterans Affairs, to insure or guarantee Mortgage loans on the Lots subject to this Declaration; provided, however, no amendment shall materially adversely affect the substantive rights of any Owner to use his or her Lot without the consent of the affected Owner.

Further, Declarant may unilaterally amend this Declaration for any other purpose; provided, however, such amendment shall not materially adversely affect the substantive rights of any Owner to use his or her Lot hereunder nor shall it adversely affect title to any Lot without the consent of the affected Owner.

(b) By the Board. Subject to subsection (d) hereof, the Board of Directors, with the written consent of the Declarant and without a vote of the members, may amend this Declaration: (i) to elect to be governed by and thereafter comply with the provisions of the Georgia Property Owners' Association Act, O.C.G.A. § 44-3-220 *et seq.*; (ii) to bring any provision hereof into compliance with any applicable governmental statute, rule or regulation or judicial determination which shall be in conflict therewith; (iii) to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration; (iv) if such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase Mortgage loans on the Lots subject to this Declaration; or (v) to enable any governmental agency or private insurance company, including without limitation, the U.S. Department of Housing and Urban Development and the U.S. Department of Veterans Affairs, to insure or guarantee Mortgage loans on the Lots subject to this Declaration; provided, however, such amendment shall not materially adversely affect the substantive rights of any Owner to use his or her Lot without the consent of the affected Owner.

(c) By the Association. In addition to the above and subject to subsection (d) hereof, this Declaration may be amended upon the affirmative vote or written consent or any combination of affirmative vote and written consent of Owners of at least two-thirds (2/3) of the Lots and the consent of Declarant.

(d) Rights Reserved to KL LB Buy 2. No amendment to this Declaration, including any amendments proposed under subsections (a), (b) and (c) hereof, shall be effective unless the same has been consented to, in writing, by KL LB Buy 2 so long as it owns any property subject to this Declaration.

Amendments to this Declaration shall become effective upon recordation unless a later effective date is specified therein.

Amendments to this Declaration shall become effective upon recordation unless a later effective date is specified therein. The consent of Declarant or KL LB Buy 2 to any amendment shall be evidenced by the execution of said amendment by Declarant or KL LB Buy 2, respectively. The consent of the requisite number of Owners to any amendment shall be evidenced by the execution of the amendment by said Owners, or, in the alternative, the sworn statement of the President or any Vice President or the Secretary of the Association attached to or incorporated in the amendment, which sworn statement states unequivocally that the consent of the required number of Owners was obtained and that any notices required by this Declaration, the Bylaws, the Articles of Incorporation and Georgia law were given. The amendments authorized by this Section may be of uniform or non-uniform application and

Owners shall be deemed to have agreed that the Declaration may be amended as provided herein and that any rule of law requiring unanimous approval of amendments having a non-uniform application shall not apply.

11.7 Gender and Grammar. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine or feminine pronoun shall include the neuter, masculine and feminine.

11.8 Severability. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid, but if the application of any provision of this Declaration to any Person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application and, to this end, the provisions of this Declaration are declared to be severable.

11.9 Captions. The captions of each Article and Section hereof, as to the contents of each Article and Section, are inserted only for convenience and are in no way to be construed as defining, limiting, extending or otherwise modifying or adding to the particular Article or Section to which they refer.

11.10 No Merger. There shall be no merger of any of the covenants, conditions, restrictions or easements created or reserved hereby with the fee estate of Declarant, by reason of the fact that Declarant may own or hold the estate or interest both encumbered and benefited by such covenants, conditions, restrictions or easements and no such merger shall occur unless and until Declarant, while owning all of the estate or interests shall execute a written statement or instrument affecting such merger and shall duly record the same.

11.11 Preparer. This Declaration was prepared by Rachel E. Conrad, Dorough & Dorough, LLC, Attorneys at Law, 160 Clairemont Avenue, Suite 650, Decatur, Georgia 30030.

11.12 Notices. Except as otherwise specifically provided in such document(s), as the case may be, notices provided for in this Declaration, the Articles or Bylaws shall be in writing, and shall be addressed to an Owner at the address of the Lot and to the Declarant and to the Association at the address of their respective registered agent on file with the Secretary of State of the State of Georgia. Notices to KL LB Buy 2 shall be as set forth in the Option Agreement. Any Owner may designate a different address, including an electronic mail address, for notices to such Owner by giving written notice to the Association. Owners shall keep the Association advised of their current address and phone number(s) where they can be reached. Notices addressed as above shall be mailed by United States Registered or Certified Mail, return receipt requested, postage paid, or delivered in person, including delivery by Federal Express or other reputable commercial courier service, or issued electronically in accordance with Chapter 12 of Title 10 of the Official Code of Georgia Annotated, the "Uniform Electronic Transactions Act". The time period in which a response to any such notice must be given or any action taken with respect thereto, shall commence to run from the date of personal delivery or date of receipt shown on the return receipt. Rejection or other refusal to accept or the inability to deliver

because of changed address of which no notice was given shall be deemed to be receipt of the notice sent.

11.13 Indemnification. To the fullest extent allowed by the Georgia Nonprofit Corporation Code, and in accordance therewith, the Association shall indemnify every current and former officer, director and committee member against any and all expenses, including, but not limited to, attorneys' fees, imposed upon or reasonably incurred by any officer, director or committee member in connection with any action, suit or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which such officer, director or committee member may be a party by reason of being or having been an officer, director or committee member. The officers, directors and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct or bad faith. The officers, directors and committee members shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association and the Association shall indemnify and forever hold each officer, director and committee member free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer, director or committee member, or former officer, director or committee member, may be entitled. The Association shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such coverage is reasonably available.

11.14 Notice of Sale or Acquisition. Owners must keep the Association apprised of their name, address and telephone number. Accordingly, prior to the sale of a Lot, an Owner shall provide the Association with written notice of the name of the purchaser and such other information as the Board may reasonably require. Upon acquisition of title to a Lot, each new Owner shall provide the Association with written notice of the name, mailing address and telephone number of the Owner, the names of the Occupants of the Lot, if any, and such other information as the Board may reasonably require. All Owners shall notify the Association of any change in name, address or telephone number.

11.15 Agreements. Subject to the prior written approval of Declarant and KL LB Buy 2, all agreements and determinations, including settlement agreements regarding litigation involving the Association, lawfully authorized by the Board of Directors, shall be binding upon all Owners, their heirs, legal representatives, successors, assigns and others having an interest in the Community or the privilege of possession and enjoyment of any part of the Community.

11.16 Variances. Notwithstanding anything to the contrary contained herein, the Declarant and the Board of Directors with the consent of Declarant shall be authorized to grant individual variances from any of the provisions of this Declaration, the Bylaws and any rule, regulation or use restriction promulgated pursuant thereto, if it determines that waiver of application or enforcement of the provision in a particular case is warranted and would not be inconsistent with the overall scheme of development for the Community.

11.17 Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by at least seventy-five percent (75%) of the Total Association Vote, Declarant and KL LB Buy 2. This Section shall not apply to: (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided herein; (c) proceedings involving challenges to *ad valorem* taxation; (d) counterclaims brought by the Association in proceedings instituted against it; or (e) actions brought by the Association against any contractor, vendor, or supplier of goods or services arising out of a contract for goods or services to which the Association is a party. This Section shall not be amended unless such amendment is made unilaterally by the Declarant, with the written consent of KL LB Buy 2 so long as it owns any property subject to the Declaration, as provided herein or is approved by the percentage of votes necessary to institute proceedings as provided above.

11.18 No Discrimination. No action shall be taken by the Declarant, KL LB Buy 2, the Association or the Board of Directors which would discriminate against any person on the basis of race, creed, color, national origin, religion, sex, familial status or disability.

11.19 Security. ALL OWNERS, OCCUPANTS, GUESTS, LICENSEES, AND INVITEES, AS APPLICABLE, ACKNOWLEDGE THAT DECLARANT, KL LB BUY 2, THE ASSOCIATION AND ITS BOARD OF DIRECTORS, AND THE ARCHITECTURAL REVIEW COMMITTEE, IF ANY, DO NOT REPRESENT OR WARRANT THAT ANY SAFETY OR SECURITY MEASURES WILL BE IMPLEMENTED IN THE COMMUNITY OR, IF IMPLEMENTED, THAT SUCH SAFETY OR SECURITY MEASURES MAY NOT BE COMPROMISED OR CIRCUMVENTED, OR THAT SUCH SAFETY OR SECURITY MEASURES WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THEY ARE DESIGNED. EACH OWNER, OCCUPANT, GUEST, LICENSEE, OR INVITEE, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT DECLARANT, KL LB BUY 2, THE ASSOCIATION, THE BOARD OF DIRECTORS AND THE ARCHITECTURAL REVIEW COMMITTEE, IF ANY, ARE NOT INSURERS OR PROVIDERS OF SAFETY OR SECURITY AND SHALL HAVE NO DUTY TO PROVIDE ANY SAFETY OR SECURITY ON THE COMMON PROPERTY OR ANY OTHER PORTION OF THE COMMUNITY; AND THAT EACH OWNER, OCCUPANT, GUEST, LICENSEE, AND INVITEE ASSUMES ALL RISKS OF PERSONAL INJURY AND PROPERTY DAMAGE AND FURTHER ACKNOWLEDGES THAT DECLARANT, KL LB BUY 2, THE ASSOCIATION, THE BOARD OF DIRECTORS, AND THE ARCHITECTURAL REVIEW COMMITTEE, IF ANY, HAVE MADE NO REPRESENTATIONS OR WARRANTIES, NOR HAS ANY OWNER, OCCUPANT, GUEST, LICENSEE, OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE RELATIVE TO ANY SAFETY OR SECURITY MEASURES IMPLEMENTED OR APPROVED.

11.20 Disclosures. Every Owner, by acceptance of a deed to a Lot, acknowledges that it will be subject to and bound by the terms and conditions of this Declaration, Bylaws, Architectural Guidelines and any rules and regulations adopted pursuant thereto.

Each Owner and Occupant also acknowledges the following:

(a) that the Community is located adjacent to thoroughfares and may be affected by traffic and noise from time to time, and such thoroughfares may be improved or widened in the future;

(b) that the views from an Owner's Lot may change over time due to among other things, additional development and the removal or addition of landscaping;

(c) that no representations are made regarding the zoning of adjacent property or that the category to which adjacent property is zoned may not change in the future;

(d) that no representations are made regarding the schools that currently, or which may in the future, serve the Community;

(e) that because in every development there are conditions that different purchasers may find objectionable, including but not limited to traffic congestion and related noise, each Owner acknowledges that there may be conditions outside of the property that such Owner finds objectionable and that it shall be the sole responsibility of such Owner to become acquainted with neighborhood conditions that could affect the Lot; and


(f) that Declarant and/or KL LB Buy 2 will be constructing portions of the Community and such construction activities may, from time to time, produce certain conditions within or in the vicinity of the Community, including, without limitation: (i) noise or sound that is objectionable because of its volume, duration, frequency or shrillness; (ii) smoke; (iii) noxious, toxic, or corrosive fumes or gases; (iv) obnoxious odors; (v) dust, dirt or flying ash; (vi) unusual fire or explosion hazards; (vii) temporary interruption of utilities; and/or (viii) other conditions that may threaten the security or safety of Persons in the Community. Notwithstanding the foregoing, each Owner agrees that such conditions in the Community resulting from construction activities shall not be deemed a nuisance or discomfort to Owner and shall not cause Declarant, KL LB Buy 2, builders approved by Declarant and their respective representatives or agents to be deemed in violation of any provision of this Declaration.

11.21 Consent, Approval or Signature of KL LB Buy 2. Wherever in this Declaration the consent, signature or approval of KL LB Buy 2 is required, such consent, signature or approval shall not be unreasonably withheld, conditioned or delayed.


[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Declarant herein hereby executes this Declaration under seal, this
31st day of JULY, 2025

DECLARANT: **LENNAR GEORGIA, LLC**, a Georgia limited liability company

By:  (SEAL)
Name: Tom Bowers
Title: Vice President

Signed, sealed and delivered
in the presence of:

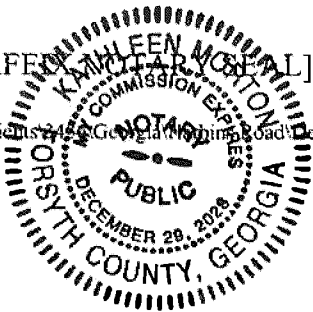

WITNESS


NOTARY PUBLIC

My Commission Expires: 12/29/2028

[AFFIDAVIT SEAL]

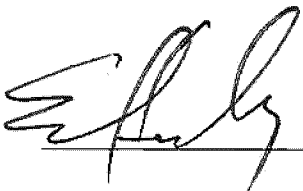
P:\Clients\442 Georgia\Washing Road\Declaration.Apatachee Hills.doc



IN WITNESS WHEREOF, KL LB BUY 2, as the Owner of the property described on Exhibit "A" attached hereto, does hereby declare and consent, on behalf of itself and its heirs, successors, legal representatives, successors-in-title and assigns, that from and after the date hereof the property described on Exhibit "A" attached hereto shall be owned, held, transferred, sold, conveyed, used, occupied, and encumbered subject to all of the terms, provisions, covenants, restrictions and easements contained in the Declaration.

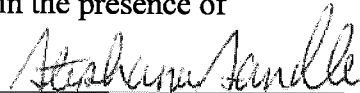
This 31st day of July, 2025.

KL LB BUY 2: **KL LB BUY 2 LLC**, a Delaware limited liability company

By:  (SEAL)

Print Name: Ed Hadley
Title: Authorized Signatory

Signed, sealed, and delivered
in the presence of


WITNESS


NOTARY PUBLIC

My Commission Expires: 08/05/2026

[AFFIX NOTARY SEAL]

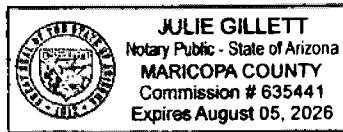


EXHIBIT "A"
Property Description

All that tract or parcel of land lying and being in Land Lots 356 and 357, 5th District, Gwinnett County, Georgia and being more particularly described as follows:

Beginning at the centerline intersection of Harbins Road (80' R/W) and Indian Shoals Road (60' R/W); thence North 72° 18'41" East, a distance of 132.80 feet to an iron pin found (1/2" open top pipe) on the northern right-of-way of said Harbins Road and the **True Point of Beginning**; thence leaving said right-of-way and along the property now or formerly belonging to Jeffery Craig Threat, III and Wynter Nicole Threat the following courses and distances: North 07°24'12" West, a distance of 756.37 feet to an iron pin found (1/2" rebar); thence North 55°02'42" East, a distance of 332.83 feet to an iron pin found (3/4" open top pipe); thence North 19°06'55" West, a distance of 1188.20 feet to an iron pin found (1/2" rebar); thence South 45°28'57" West, a distance of 646.40 feet to an iron pin found (1/2" open top pipe); thence along the property now or formerly belonging to MEA Family Investments, L.P. North 24°01'19" West, a distance of 824.12 feet to an iron pin found (1/2" rebar); thence along the property now or formerly belonging to Louis Van Fowler North 24°01'19" West, a distance of 948.43 feet to an iron pin found (3/4" open top pipe); thence along the property now or formerly belonging to Cagle and Yancey Holdings, LLC, North 53°09'33" East, a distance of 592.90 feet to the centerline of Apalachee River, said Apalachee River being the line common to Gwinnett County and Barrow County; thence along said centerline and along said Gwinnett County/Barrow County line the following courses and distances: South 29°20'05" East, a distance of 15.04 feet to a point; thence South 47°25'31" East, a distance of 115.84 feet to a point; thence South 68°07'08" East, a distance of 67.21 feet to a point; thence South 36°41'09" East, a distance of 49.53 feet to a point; thence South 21°24'36" East, a distance of 71.59 feet to a point; thence South 49°23'57" East, a distance of 103.22 feet to a point; thence South 40°36'07" East, a distance of 56.53 feet to a point; thence South 59°10'51" East, a distance of 128.49 feet to a point; thence South 74°39'39" East, a distance of 73.51 feet to a point; thence South 66°03'43" East, a distance of 75.53 feet to a point; thence South 55°51'20" East, a distance of 65.06 feet to a point; thence South 51°49'39" East, a distance of 53.91 feet to a point; thence South 50°43'39" East, a distance of 132.22 feet to a point; thence South 58°45'07" East, a distance of 100.70 feet to a point; thence South 35°21'49" East, a distance of 60.80 feet to a point; thence South 27°14'56" East, a distance of 130.45 feet to a point; thence South 00°17'51" East, a distance of 53.86 feet to a point; thence South 19°02'14" East, a distance of 80.94 feet to a point; thence South 34°00'18" East, a distance of 81.04 feet to a point; thence South 15°28'42" East, a distance of 30.98 feet to a point; thence South 25°46'36" East, a distance of 120.79 feet to a point; thence South 36°44'29" East, a distance of 23.62 feet to a point; thence South 28°31'09" East, a distance of 91.02 feet to a point; thence South 52°52'12" East, a distance of 23.40 feet to a point; thence South 84°12'04" East, a distance of 76.35 feet to a point; thence South 65°20'11" East, a distance of 39.59 feet to a point; thence South 38°52'35" East, a distance of 88.35 feet to a point; thence South 48°53'39" East, a distance of 36.48 feet to a point; thence leaving the centerline of said creek and leaving said Gwinnett County/Barrow County line and along the property now or formerly belonging to Gwinnett County, Georgia the following courses and distances: South 43°25'10" West, a distance of 19.12 feet to a concrete monument found; thence South 26°15'44" East, a distance of 975.55 feet to a concrete monument found; thence South 74°13'44" East, a distance of 431.70 feet to a concrete monument found; thence South 54°06'45" East, a distance of 791.72 feet to an iron pin set (1/2" rebar with a yellow plastic cap stamped "Rochester LSF 000484"); thence South 11°44'47" East, a distance of 134.47 feet to an angle iron found; thence South 75°00'03" West, a distance of 1025.48 feet to an iron pin found (1/2" rebar); thence South 05°44'57" East, a distance of 329.88 feet to an iron pin set (1/2" rebar with a yellow plastic cap stamped "Rochester LSF 000484") on the northern right-of-way of said Harbins Road; thence along said right of way South 89°50'04" West, a distance of 983.23 feet to the **True Point of Beginning**.

Said tract contains 93.452 acres.

EXHIBIT "B"
Additional Property

All that tract or parcel of land lying and being within a one (1) mile radius of the property described on Exhibit "A."

EXHIBIT "C"

BYLAWS

OF

APALACHEE HILLS HOMEOWNERS ASSOCIATION, INC.

Prepared By:
Rachel E. Conrad
DOROUGH & DOROUGH, LLC
Attorneys at Law
160 Clairemont Avenue
Suite 650
Decatur, Georgia 30030
(404) 687-9977

BYLAWS
OF
APALACHEE HILLS HOMEOWNERS ASSOCIATION, INC.
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BYLAWS

OF

APALACHEE HILLS HOMEOWNERS ASSOCIATION, INC.

Article 1

Name, Membership, Applicability and Definitions

1.1 Name. The name of the corporation shall be Apalachee Hills Homeowners Association, Inc. (hereinafter sometimes referred to as the "Association").

1.2 Membership. The Association shall have one class of membership, as is more fully set forth in that certain Declaration of Protective Covenants, Conditions, Restrictions and Easements for Apalachee Hills (such Declaration, as amended, supplemented, renewed, or extended from time to time, is hereinafter sometimes referred to as the "Declaration"), the terms of which pertaining to membership are specifically incorporated by reference herein.

1.3 Definitions. The words used in these Bylaws shall have the same meaning as set forth in the Declaration, unless the context shall prohibit, or the meanings given in the Georgia Nonprofit Corporation Code (O.C.G.A. Section 14-3-101, *et seq.*) (the "Nonprofit Code"). Statutory references shall be construed as meaning the referenced statute or portion thereof as the same may exist from time to time.

Article 2

Association: Meetings, Quorum, Voting, Proxies

2.1 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the members as may be designated by the Board of Directors, either in the Community or as convenient thereto as possible and practical. Meetings may be held by means of telephone conference, video conference or similar communications equipment, by means of which all persons participating in the meeting can converse with each other. Participation by one of these methods shall constitute presence in person at such meeting.

2.2 Annual Meetings. There shall be an annual meeting of the members at such date, place and time as the Board of Directors shall determine to receive the reports of the outgoing Board of Directors, to install directors for the ensuing year and to transact such other business as may come before the meeting.

2.3 Special Meetings. The President or the Board of Directors may call special meetings. In addition, it shall be the duty of the President to call a special meeting of the Association upon the delivery of a petition signed and dated by members entitled to cast at least twenty-five percent (25%) of the Total Association Vote and describing the purpose or purposes for which it is to be held. The notice of any special meeting shall state the date, time, and place

of such meeting and the purpose(s) thereof. No business shall be transacted at a special meeting, except those matters that are within the purpose or purposes described in the notice.

2.4 Record Date. The Board of Directors shall fix in advance a record date for a determination of members entitled to notice of and to vote at any meeting of members or any adjournment thereof, or to make a determination of members for any other purpose, such date to be not more than seventy (70) days before the date on which the particular action requiring such determination of members is to be taken.

2.5 Notice of Meetings. It shall be the duty of the Secretary or such other agent as the Association may designate to mail or to cause to be delivered, in a fair and reasonable manner, to each member (as shown in the records of the Association as of the record date) a written notice of each annual or special meeting of the Association stating the date, time and place where it is to be held and, if and to the extent required by the Nonprofit Code or other applicable law (the "Governing Law"), the purpose(s) thereof. Such notice shall be delivered personally, sent by United States mail, postage prepaid, statutory overnight delivery, or sent by electronic transmission in accordance with the Nonprofit Code to all members of record at the address shown in the Association's current records. If an Owner wishes notice to be given at an address other than the Lot, the Owner shall designate by notice in writing to the Secretary such other address. Notices shall be mailed or delivered not less than ten (10) days (or if notice is mailed by other than first-class or registered mail, thirty (30) days) nor more than sixty (60) days in advance of any annual, regularly scheduled or special meeting. If any meeting of the members is adjourned to a different date, time or place, notice need not be given of the new date, time or place, if the new date, time or place is announced at the meeting before adjournment. If, however, a new record date is or must be fixed under the Governing Law, notice of the adjourned meeting shall be given to persons who are members of record as of the new record date.

2.6 Waiver of Notice. Waiver of notice of a meeting of the members shall be deemed the equivalent of proper notice. Any member may, in writing signed by the member entitled to notice and delivered to the Association for inclusion in the minutes for filing with the Association's records, waive notice of any meeting of the members, either before or after such meeting. Attendance at a meeting by a member, whether in person or by proxy, shall be deemed waiver by such member of lack of notice or defective notice, unless such member specifically objects to lack of proper notice at the time the meeting is called to order.

2.7 Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a majority of the members who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. At such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.8 Membership List. After the record date for any meeting is established by the Board of Directors, the Secretary shall prepare an alphabetical list of the names and addresses of all of

the members who are entitled to notice of the meeting. Beginning at least two (2) business days after notice is given of the meeting for which the list was prepared, the list of members shall be available for inspection by any member or a member's agent or attorney: (1) on a reasonably accessible electronic network, provided that the information required to gain access to such list is included with the notice of the meeting or upon request; or (2) during ordinary business hours at the Association's principal office or at such other reasonable place as may be specified in the notice in the city where the meeting will be held. In the event that the Association makes the list available on an electronic network, the Association may take reasonable steps to ensure that such information is available only to members of the Association. In addition, the list shall be available for inspection at the meeting or any adjournment thereof.

2.9 Voting. The voting rights of the members shall be as set forth in the Articles of Incorporation and the Declaration, and such voting rights are specifically incorporated herein.

2.10 Proxies. At all meetings of members, each member may vote in person or by proxy. All proxy appointment forms shall be in writing, signed either personally or by an electronic transmission, dated, and filed with the Secretary before the appointed time of each meeting. An electronic transmission must contain or be accompanied by information acceptable to the Board from which it can be determined that the member, the member's agent, or the member's attorney-in-fact authorized the electronic transmission. Proxies may be delivered to the Board of Directors by personal delivery, U.S. mail or electronic transmission to the Secretary or other officer or agent authorized to tabulate votes. Every proxy shall be revocable and shall automatically cease upon: (a) receipt of notice by the Secretary of the death or judicially declared incompetence of a member; (b) receipt by the Secretary or other officer or agent authorized to tabulate votes of written revocation signed by the member; (c) receipt by the Secretary or other officer or agent authorized to tabulate votes of a subsequent appointment form signed by the member; (d) attendance by the member and voting in person at any meeting; or (e) the expiration of eleven (11) months from the date of the proxy appointment form.

2.11 Quorum. The presence, in person or by proxy, of members entitled to cast at least twenty-five percent (25%) of the votes entitled to be cast at the meeting shall constitute a quorum at all meetings of the Association. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

2.12 Action By Written Consent. Any action required or permitted to be approved by the members may be approved without a meeting if one (1) or more consents, in writing, setting forth the action so taken, shall be signed and dated by members (including the Declarant, if the consent of the Declarant is required) holding the voting power required to pass such action at a meeting held on the record date for such action. The record date for such action shall be the date that the first member signs a consent. Such action shall be approved when the Secretary receives a sufficient number of such consents dated within seventy (70) days of the record date for such action. If less than unanimous consent is obtained, the approval shall be effective ten (10) days after the Secretary gives written notice of the approval to all members who did not sign a consent. Each written consent shall be included in the minutes of meetings of members filed in

the permanent records of the Association. No written consent shall be valid unless: (a) the consenting member has been furnished the same material that, pursuant to the Nonprofit Code, would have been required to be sent to members in a notice of a meeting at which the proposed action would have been submitted to the members for action; or (b) the written consent contains an express waiver of the right to receive the material otherwise required to be furnished.

2.13 Action By Written Ballot. Any action that may be taken at any annual, regular or special meeting of members may be taken without a meeting if approved by written ballot as provided herein. The Association shall deliver a written ballot to each member entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than election of directors; and (c) specify the time by which a ballot must be received by the Association in order to be counted. A timely written ballot received by the Association may not be revoked. Approval by written ballot of an action shall only be valid when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting held to authorize such action and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. The results of each action by ballot shall be certified by the Secretary and shall be included in the minutes of meetings of members filed in the permanent records of the Association.

Article 3

Board of Directors: Number, Powers, Meetings

3.1 Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors. Directors shall be natural persons who are eighteen (18) years of age or older. Except for directors appointed by the Declarant, each director must reside in the Community and be a member or the spouse of a member; provided, however, no Person may serve on the Board at the same time with such Person's spouse or any co-Owner or Occupant of such Person's Lot.

3.2 Directors Appointed by Declarant. The Declarant shall have the right to appoint or remove any member or members of the Board of Directors or any officer or officers of the Association until such time as the first of the following events shall occur: (a) the date on which all of the Lots planned by Declarant to be a part of the Community have been improved with a dwelling and conveyed to an Owner for occupancy as a residence; or (b) the surrender by Declarant in writing of the authority to appoint and remove directors and officers of the Association. The directors appointed by the Declarant need not be Owners or residents in the Community.

The total number of Lots planned by Declarant for the Community shall initially be the number of Lots shown on the Declarant's site plan or concept plan for the development as it may be amended from time to time. The final total number of Lots planned for the Community shall

be the actual number of Lots shown on the recorded subdivision plats for the Community regardless of any different number of Lots shown from time to time on the site plan or concept plan.

3.3 Number of Directors. During the period that the Declarant has the right to appoint and remove the officers and directors of the Association as provided above, the Board of Directors shall consist of two (2) or three (3) members as determined by Declarant in writing from time to time. Thereafter, the Board shall consist of three (3) directors, who shall be elected as provided in Section 3.5 below.

3.4 Nomination of Directors. Elected directors may be nominated from the floor, if a meeting is held for the election of directors and may also be nominated by a nominating committee, if established by the Board. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

3.5 Election and Term of Office. After the Declarant's right to appoint directors and officers terminates, the Association shall call a special meeting (or take action under Section 2.12 or Section 2.13 in lieu of a meeting) and the members shall elect three (3) directors as follows: the initial term of two (2) directors shall be fixed at two (2) years and the initial term of one (1) director shall be fixed at one (1) year. The initial directors shall decide the length of term that they will serve. Thereafter, all successors shall be elected to a term of two (2) years. At annual meetings thereafter (or pursuant to Section 2.12 or Section 2.13 in lieu of a meeting), directors shall be elected as necessary to fill vacant seats on the Board and to preserve the scheme of staggered terms with one more or one less director being elected each year than in the previous year. All eligible members of the Association may vote on all directors to be elected, and the candidates receiving the most votes shall be elected. Notwithstanding anything herein to the contrary, the members of the Board of Directors shall continue in office until their respective successors have been elected and take office.

3.6 Removal of Directors. At any annual, regular or special meeting of the Association, any one (1) or more of the members of the Board of Directors elected by the members may be removed, with or without cause, by a majority of the Total Association Vote and a successor may then and there be elected to fill the vacancy thus created. The notice of the meeting shall state that the purpose or one of the purposes of the meeting is removal of a director. A director whose removal by the members has been proposed shall be given an opportunity to be heard at the meeting. Additionally, any director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than thirty (30) days may be removed by a majority vote of the remaining directors. This Section shall not apply to directors appointed by the Declarant.

3.7 Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors. Each Person so selected shall serve the unexpired portion of the term.

3.8 Organization Meetings. The first meeting of a newly elected Board of Directors shall be held within ten (10) days after the election at such time and place as the directors may conveniently assemble.

3.9 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by the Board, provided that, after the right of Declarant to appoint the directors terminates, at least four (4) such meetings shall be held during each fiscal year with at least one (1) per quarter. Notice of the regular schedule shall constitute sufficient notice of such meetings.

3.10 Special Meetings. Special meetings of the Board of Directors shall be held when requested by the President or by any two (2) directors. The notice shall specify the date, time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods: (a) by personal delivery (including commercial delivery service) to such director's home or office; (b) written notice by first class mail, postage prepaid; (c) by telephone communication (including facsimile), either directly to the director or to the director's home or office; or (d) issued electronically in accordance with the Nonprofit Code, if the director has consented in writing to such method of delivery and has provided the Board with an address regarding the same. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited with the U.S. Postal Service at least four (4) days before the date of the meeting. Notices given by personal delivery, electronic transmission or telephone shall be given at least two (2) days before the day of the meeting.

3.11 Waiver of Notice. The business transacted at any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if: (a) a quorum is present; and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or a written approval of the minutes which is included in the minutes or filed with the official records of the Association. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors.

3.13 Compensation. No director shall receive any compensation from the Association for acting as such.

3.14 Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by the Board.

3.15 Executive Session. The Board may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of any and all business to be considered in executive session shall first be announced in open session.

3.16 Action Without A Formal Meeting. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if one or more written consents, setting forth the action so taken, shall be signed by a majority of the directors and delivered to the Association for inclusion in the minutes for filing in the corporate records. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

3.17 Telephonic Participation. One or more directors may participate in and vote during any meeting of the Board by telephone conference call or any other means of communication by which all directors participating may simultaneously hear each other during the meeting. Any such meeting at which a quorum participates shall constitute a meeting of the Board.

3.18 Powers. The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by law, the Declaration, the Articles of Incorporation of the Association, or these Bylaws directed to be done and exercised by the members. In addition to the duties imposed by these Bylaws or by any resolution of the Association that may hereafter be adopted, the Board of Directors shall have the power to and be responsible for the following, in way of explanation, but not limitation:

(a) preparing and adopting an annual budget in which there shall be established the contribution of each member to the common expenses;

(b) making assessments to defray the common expenses and establishing the means and methods of collecting such assessments;

(c) providing for the operation, care, upkeep, and maintenance of all areas which are the maintenance responsibility of the Association;

(d) designating, hiring, and dismissing the personnel necessary for the operation of the Association and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;

(f) making and amending rules and regulations;

(g) opening bank accounts on behalf of the Association and designating the signatories required;

(h) enforcing by legal means the provisions of the Declaration, these Bylaws, and the rules and regulations and Architectural Guidelines adopted by it, and bringing any proceedings which may be instituted on behalf of or against the members concerning the Association, which enforcement power shall include, without limitation, the power to levy fines as provided herein and in the Declaration in such amounts as from time to time the Board may deem proper in the circumstances, counting each day a violation continues after notice from the Board as a separate violation;

(i) obtaining and carrying insurance against casualties and liabilities, as provided in the Declaration, and paying the premium cost thereof;

(j) keeping books with detailed accounts of the receipts and expenditures of the Association and the actions thereof, and specifying the maintenance and repair expenses and any other expenses incurred; and

(k) authorizing contracts on behalf of the Association.

3.19 Management Agent. The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. Declarant, or an affiliate of Declarant, may be employed as managing agent or manager. The term of any management agreement shall not exceed one (1) year and shall be subject to termination by either party, without cause and without penalty, upon ninety (90) days' written notice.

3.20 Borrowing. The Board of Directors shall have the power to borrow money without the approval of the members of the Association; provided, however, after Declarant's right to appoint and remove the members of the Board has expired pursuant to Section 3.2 hereof, except as otherwise provided in the Declaration, the Board shall obtain membership approval in the same manner as for special assessments, in the event that the total amount of such borrowing exceeds or would exceed ten percent (10%) of the annual budget of the Association.

3.21 Fining Procedure. A fine shall not be imposed (a late charge shall not constitute a fine) unless and until the following procedure is followed:

(a) Written notice shall be delivered to the member in accordance with Article 11, Section 11.12 of the Declaration to the address of the member shown on the Association's records, specifying:

(1) the nature of the violation, the fine to be imposed and the date, not less than ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, from the date of the notice, that the fine will take effect;

(2) that the violator may, within ten (10) days or, in the event of an unapproved sign, twenty four (24) hours, from the date of the notice, request a hearing in writing regarding the fine imposed;

(3) the name, address and telephone number of a person to contact to challenge the fine;

(4) that any statements, evidence, and witnesses may be produced by the violator at the hearing; and

(5) that all rights to have the fine reconsidered are waived if a hearing is not requested within ten (10) days or, in the event of an unapproved sign, twenty-four (24) hours, of the date of the notice.

(b) If a hearing is requested within the requisite time provided above, it shall be held before the Board in executive session, and the violator shall be given a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing. No fine shall be imposed prior to the date that is five (5) days or, in the event of an unapproved sign, twenty-four (24) hours, after the date of the hearing, as applicable.

(c) Within twelve (12) months of such demand, if the violation continues past the period allowed in the demand for abatement without penalty, or if the violation recurs, the Board may, upon notice stating the nature of the violation and delivered to the member by first class or certified mail sent to the address of the member shown on the Association's records, impose a fine.

Article 4 Officers

4.1 Officers. The officers of the Association shall be a President, Secretary, and Treasurer. Any two (2) or more offices may be held by the same Person, excepting the offices of President and Secretary. The President and Treasurer shall be elected from among the members of the Board of Directors.

4.2 Election, Term of Office, and Vacancies. Except during the period in which the Declarant has the right to appoint the officers of the Association, the officers of the Association shall be appointed annually by the Board of Directors at the first meeting of the Board of Directors following the election of directors. A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

4.3 Additional Officers and Agents. The Board of Directors may appoint such other officers, including vice presidents, assistant secretaries and assistant treasurers, and agents as it shall deem necessary. Such officers and agents shall hold their respective offices for such terms

and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

4.4 Salaries. The officers shall receive no compensation.

4.5 Removal. Except for officers appointed by the Declarant, any officer may be removed, with or without cause, by the Board of Directors.

4.6 President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the members and directors. The immediate supervision of the affairs of the Association shall be vested in the President. It shall be the President's duty to attend to the business of the Association and maintain strict supervision over all of its affairs and interests. The President shall keep the Board of Directors fully advised about the affairs and conditions of the Association, and shall manage and operate the business of the Association pursuant to and in accordance with such policies as may be prescribed from time to time by the Board of Directors.

4.7 Vice President. The Vice President(s), if any, shall act in the President's absence or disability and shall have all powers, duties, and responsibilities provided for the President when so acting, and shall perform such other duties as shall from time to time be imposed upon any Vice President by the Board or delegated to a Vice President by the President.

4.8 Secretary. The Secretary shall keep the minutes of all meetings of the members and of the Board of Directors; notify the members and directors of meetings as provided by these Bylaws and Georgia law; have custody of the seal of the Association; affix such seal to any instrument requiring the same; attest the signature or certify the incumbency or signature of any officer of the Association; and perform such other duties as the President, or the Board of Directors may prescribe. The Secretary shall perform the duties of the Treasurer of the Association in the absence or disability of the Treasurer.

4.9 Treasurer. The Treasurer shall be the chief financial officer and shall keep, or cause to be kept, the financial books and records of the Association, and shall faithfully account for the Association's funds, financial assets, and other assets entrusted to the Treasurer's care and custody. The Treasurer shall make such reports as may be necessary to keep the President and the Board of Directors informed at all times as to the financial condition of the Association, and shall perform such other duties as the President, or the Board of Directors may prescribe. The Treasurer shall maintain the money and other assets of the Association in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors. The Treasurer may provide for the investment of the money and other assets of the Association consistent with the needs of the Association to disburse such money and assets in the course of the Association's business. The Treasurer shall perform the duties of the Secretary of the Association in the absence or disability of the Secretary.

4.10 Resignation. Any officer may resign at any time by giving written notice to the Board of Directors. Such resignation shall take effect on the date of the receipt of such notice or

at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Article 5
Committees

Advisory, standing and Ad Hoc committees to perform such tasks and to serve for such periods as may be designated by the Board or as provided in the Declaration are hereby authorized. Each such committee shall be composed and shall operate in accordance with the terms of the Declaration or resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors. An advisory, standing or Ad Hoc committee shall not be authorized to exercise any authority of the Board under the Articles of Incorporation, the Declaration, these Bylaws or the Nonprofit Code except as expressly provided therein.

Article 6
Miscellaneous

6.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by resolution of the Board.

6.2 Parliamentary Rules. *Roberts Rules of Order* (current edition) shall govern the conduct of all Association proceedings, when not in conflict with Georgia law, the Articles of Incorporation of the Association, the Declaration or these Bylaws.

6.3 Conflicts. If there are conflicts or inconsistencies between the provisions of Georgia law, the Articles of Incorporation of the Association, the Declaration and these Bylaws, the provisions of Georgia law, the Declaration, the Articles of Incorporation of the Association and the Bylaws (in that order) shall prevail.

6.4 Electronic Records, Signatures and Documents. To the extent permitted by the Uniform Electronic Transaction Act, O.C.G.A. § 10-12-1, *et seq.*, the Nonprofit Code, the Declaration and these Bylaws, the Association and its members, officers, directors, Owners and Occupants may perform any obligation or exercise any right by use of electronic means providing sufficient security, reliability, identification and verifiability, which electronic means have been approved by the Board of Directors in its sole discretion.

6.5 Amendment.

(a) By the Board. These Bylaws may be amended by the Board of Directors with the consent of the Declarant if such amendment is necessary to: (i) bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith; (ii) enable any title insurance company to issue title insurance coverage with respect to the Lots subject to the Declaration; (iii) enable an institutional or governmental lender or purchaser of mortgage loans, including, without limitation, the Federal National Mortgage Association or Federal Home Loan Mortgage

Corporation, to make or purchase Mortgage loans on the Lots subject to the Declaration; (iv) enable any governmental agency or private insurance company to insure or guarantee Mortgage loans on the Lots subject to the Declaration; or (v) comply with the provisions of the Georgia Property Owners' Association Act, O.C.G.A. § 44-3-220, *et seq.*

(b) By the Declarant. Declarant may unilaterally amend these Bylaws for any other purpose; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Owner to use and enjoy such Owner's Lot without the consent of the affected Owner nor shall it adversely affect title to a Lot without the consent of the affected Owner.

(c) By the Members. In addition, these Bylaws may be amended upon the affirmative vote, written consent or any combination of affirmative vote and written consent of at least two-thirds (2/3) of the Total Association Vote and the consent of Declarant.

(d) Consent of KL LB Buy 2. So long as KB LB Buy 2 owns any property subject to the Declaration, any amendment to the Bylaws shall require the written consent of KL LB Buy 2 to be effective.

6.6 Dissolution. The Association shall not be dissolved unless the dissolution is approved by: (a) Owners of at least two-thirds of the Lots; (b) Declarant; and (c) the Gwinnett County Board of Commissioners.